(33,868)

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1928

No. 559

EDWARD BECHER, PETITIONER,

vs.

CONTOURE LABORATORIES, INC., AND HERBERT OPPENHEIMER

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT

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JUDD & DETWEILER (INC.), PRINTERS, WASHINGTON, D. C., FEBRUARY 5, 1929

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IN UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK

Equity. No. 46-7

EDWARD BECHER, Plaintiff,

vs.

CONTOURE LABORATORIES, INC., and HERBERT OPPENHEIMER, Defendants

BILL OF COMPLAINT

To the Honorable, the Judges of the United States District Court for the Southern District of New York:

The plaintiff, for his Bill of Complaint, on information and belief, alleges:

1. This is a suit in equity for infringement and threatened infringement of Letters Patent of the United States No. 1,634,316 granted to the plaintiff, Edward Becher, July 5, 1927, for improvements in massaging heating roller. It arises under the patent laws of the United States and is brought in equity because an injunction is necessary for the protection of plaintiff's rights, which will be irreparably injured unless the infringing acts and threatened infringing acts of the defendants are enjoined, and because the plaintiff has no adequate remedy at law. Further and incidental relief is also asked because of certain frauds perpetrated [fol. 2] by the defendants upon the plaintiff through the instrumentality of an action pending in the Supreme Court of the State of New York for Kings County, entitled Contoure Laboratories, Inc., and Herbert Oppenheimer, plaintiffs, against Edward Becher, defendant, File No. 23237/27.

2. The plaintiff, Edward Becher, is a citizen of the United States and also a citizen of the State of New York, residing in the City of New York, County of Queens and State of New York.

3. Plaintiff avers, upon information and belief, that the defendant, Contoure Laboratories, Inc., is a corporation organized and existing under the laws of the State of New York, is a citizen of said State and has a regular and established place of business in the City, County, State and Southern District of New York and is a resident and inhabitant of said State, and that the other defendant, Herbert Oppenheimer, is also a citizen of the United States and of the State of New York, residing in the City, County, State and Southern District of New York.

4. Plaintiff is informed and believes and therefore avers that prior to March 27, 1926, the filing date of the application for United States Letters Patent above referred to, Edward Becher, then and now a citizen of the United States, became and was the true, original, first and sole inventor of the improvement described and claimed in said Letters Patent which improvement was both new and useful; that [fol. 3] such improvement was not known or used by others in this country before his invention or discovery thereof, and not patented or described in any printed publication in this or any foreign country before the invention or discovery thereof by the said Becher, or more than two years prior to his said application for Letters Patent, and no application for foreign Letters Patent therefor had been filed more than twelve months prior to the filing of his application for Letters Patent in this country, and that the improvement had not been in public use or on sale in the United States for more than two years prior to the said Becher's application for patent therefor, and that the invention had not been abandoned.

5. That on the 27th day of March, 1926, the said Edward Becher made application to the Commissioner of Patents of the United States in accordance with the then existing statutes of the United States, and having complied in all respects with the conditions and requirements of said statutes, on the 5th day of July, 1927, Letters Patent of the United States numbered 1,634,316 were issued to said Becher, wherein there was secured to him and his legal representatives and assigns, for the term of seventeen years from the 5th of July, 1927, the full and exclusive right of making, using and vending the said invention throughout

the United States and territories thereof, as by said Letters Patent or duly authenticated copy thereof, ready in Court to be produced, will more fully and at large appear. [fol. 4] 6. That the plaintiff, Edward Becher, has for a time manufactured massaging heating rollers, as set forth in said Letters Patent No. 1,634,316 and took one of such instruments to the defendant, Herbert Oppenheimer, on or about the 23rd day of March, 1926, and disclosed the said instrument to said Oppenheimer and at the same time disclosed that an application for patent thereon was pending and filed by said Becher. Said Becher then solicited an order for such rollers from said Oppenheimer and was successful in getting a small order for samples, which order was duly filled, and thereafter several hundred such instruments were sold by the plaintiff to the defendant, Oppenheimer, and beginning with the summer of 1926 such instruments were sold to the other defendant, Contoure Laboratories, Inc., to which the business of Oppenheimer had been transferred, said Oppenheimer being President of this corporation and directing its affairs in all dealings with the plaintiff and all matters relating thereto. This purchase of such instruments continued until all orders had been filled in the fall of 1927. At that time the defendants, and each of them, refused to buy more of such instruments from the plaintiff and instead of giving the plaintiff the business formerly given to him, the business was placed elsewhere and thereupon several hundred such instruments were made by a party or parties unknown to the plaintiff and furnished to the defendants upon the order of the defendants and such instruments have been used and sold by the defendants acting in conspiracy to defraud and defeat [fol. 5] the rights of the plaintiff in the premises. The exact number of such infringing instruments is unknown to the plaintiff, but, on information and belief, he alleges that several hundred at least of such instruments have been so made, used and sold in defiance of his rights.

7. That the plaintiff, Edward Becker, duly notified the defendants of his said Letters Patent No. 1,634,316 dated July 5, 1927, and warned them not to infringe the same in accordance with the statute in that case made and provided. This notice was given on or about August 13, 1927.

8. Plaintiff, Edward Becher, is informed and believes and therefore avers, that the said defendants, Contoure Laboratories, Inc., and Herbert Oppenheimer, well knowing the premises and the rights secured to the plaintiff, as aforesaid, since the date and issue of said Letters Patent, and prior to the filing of this suit, within the Southern District of New York, as well as elsewhere throughout the United States, without right or license from the plaintiff, and in defiance thereof, has been, now is, and is threatening to continue to infringe upon said Letters Patent, and to violate plaintiff's rights thereunder, by selling and offering for sale, using and offering for use, and by causing, assisting and encouraging others to manufacture for sale and use, massaging irons embodying and containing the improvements described and claimed in said Letters Patent, and particularly by selling, offering for sale, and threatening to continue to do so, massaging irons manufactured by unknown [fol. 6] parties, as aforesaid, containing and embodying the improvement and invention described and claimed in said Letters Patent No. 1,634,316, whereby the said defendants, Contoure Laboratories, Inc., and Herbert Oppenheimer, conspiring and confederating together, have realized large gains, profits, benefits and advantages which should and otherwise would be received and obtained by the plaintiff, except for defendant's unlawful acts.

9. That on or about the 22nd day of September, 1927, the defendants brought a suit against the plaintiff in the Supreme Court of the State of New York, Kings County, File No. 23237/27 alleging that the invention of the said Becher patent was made by said Oppenheimer and disclosed by him confidentially to Edward Becher and that Becher fraudulently took out a patent which is now the patent here in suit for the invention of Oppenheimer and demanded judgment as follows:

"Wherefore, plaintiffs demand judgment: (1) declaring the defendant a trustee on his own wrong for the benefit of the plaintiff, Contoure Laboratories, Inc., as assignee of said Oppenheimer, of the said invention and the letters patent issued to the defendant under No. 1,634,316; and any and all modifications and improvements thereof; (2) that the defendant be enjoined and restrained from using, manu-

facturing, selling, hiring out or otherwise using, distributing or disposing of any of said instruments or any part thereof or modification thereof; (3) that the defendant be enjoined [fol. 7] and restrained from transferring, assigning, and granting any rights, licenses or privileges under said letters patent, or to such instruments or any similar instrument, instruments or parts or modifications thereof; (4) that the defendant be directed to deliver up to the plaintiffs all instruments and parts thereof now in his possession; (5) that the damages to the plaintiffs be ascertained and the defendant be directed to pay the same; and (6) that the plaintiffs have such other and further relief as to the Court may seem just and proper, together with the costs and disbursements of this action."

That the defendants well knew that the allegations of the complaint were untrue and fraudulent and that they were not entitled to the relief sought.

10. This plaintiff further alleges that the said defendants, Contoure Laboratories, Inc., and Herbert Oppenheimer, well known that the issue of originality as to the said Becher patent in suit involves the validity of the aforesaid Becher patent here in suit No. 1,634,316 and so resorted to the Patent Office by way of an amendment of an earlier application of said Oppenheimer, filed on June 26, 1926, Serial No. 118,637 and amended the same on or about August 31, 1927, and in view of a copy of the Letters Patent in suit which had been disclosed to the defendants and each of them earlier in the month of August, 1927, by the plaintiff Becher and until after this disclosure, the defendants made no effort to claim the invention of the Becher patent [fol. 8] as the invention of Oppenheimer, all this claim being an afterthought with a view to fraudulently putting the plaintiff Becher to additional expense and trouble; that pursuant to the amendment so filed, which copied the claims of this Becher patent in suit, an interference was duly instituted between the parties, the senior party being the patentee Becher, plaintiff in this suit, and the junior party being the defendant corporation, assignee of the application of said Herbert Oppenheimer. That upon the declaration of said interference, the defendants forthwith resorted to dilatory tactics so as to prevent this interference from being heard or decided and they have been suc-

cessful in this so that said interference is still pending undetermined in the Patent Office.

11. That the said defendants have prosecuted their said suit in the Supreme Court of the State of New York, King's County, to the extent of getting a preliminary injunction restraining the plaintiff herein, Edward Becher, pursuant to the prayer of the complaint above quoted, and testimony has been taken before a Referee and the case is now pending undetermined by him. That upon the argument of the motion for a preliminary injunction in said suit in Kings County, the plaintiff herein, Edward Becher, made a counter motion to have the complaint dismissed on the ground that the contest between the parties is one involving the issue of the Patent Office interference and the decision of this issue dominates and controls the decision of [fol. 9] the Court. This motion was denied and the proceedings were had before the Referee, over the protest of Edward Becher, who objected to the jurisdiction of the Referee for the foregoing reasons. That the said proceedings in the said State Court were fraudulently instituted and fraudulently prosecuted on the part of the defendants herein for the purpose of harrassing and oppressing the plaintiff herein in a Court without jurisdiction.

Plaintiff therefore prays:

1. For a writ of subpœna ad respondendum against the defendants, Contoure Laboratories, Inc., and Herbert Oppenheimer, according to the practice of the Courts of Equity;

2. For a writ of injunction, preliminary as well as perpetual, restraining these defendants, their associates, successors, agents, employees, workmen and co-conspirators and each and every person or concern in privity with them, or either of them, from infringing or continuing or threatening to infringe said Letters Patent;

3. For an accounting of the profits and damages resulting from said infringement;

4. For a writ of injunction, preliminary as well as perpetual, restraining these defendants from further prosecuting their suit in the Supreme Court of the State of New

York, Kings County, against this plaintiff, File No. 23237/27, and directing defendants to consent to a dismissal of this suit upon such terms as this Honorable Court may direct;

[fol. 10] 5. For an accounting of the damages caused plaintiff resulting from the bringing of said suit, the costs of defending the same by plaintiff and any other damages or costs or disbursements necessarily incurred by the plaintiff in defending such suit or resulting therefrom; and

6. For the costs of this suit, and for such other and further relief as to this Honorable Court may seem just.

Edward Becher. O. Ellery Edwards, Solicitor for Plaintiff.

Duly sworn to by Edward Becher. Jurat omitted in printing.

[fol. 11] In United States District Court

[Title omitted]

Order to Show Cause—July 6, 1928

Upon the Bill of Complaint herein, the affidavit of Edward Becher, verified the 6th day of July, 1928, and the Exhibits therein referred to and pending further order of this Court,

Let the defendants, Contoure Laboratories, Inc., and Herbert Oppenheimer, be restrained from in any way taking any action to enforce any judgment in the case now pending between the parties in the Supreme Court of Kings County, No. 23237/27, or in any other way enforcing or causing to be enforced this judgment or any rights thereunder against the plaintiff herein, Edward Becher. This restraining order is granted because the plaintiff Becher is directed to assign his patent in suit to the defendant Oppenheimer on or before Tuesday next, as appears from his affidavit. He claims that the order directing him so to [fol. 12] assign his patent was entered without jurisdiction and therefore illegally and is null and void. To pro-

tect the jurisdiction of this Court pending further inquiry and determination, this restraining order is signed.

It Is Further Ordered that the defendants and each of them show cause why the preliminary relief prayed for in paragraphs 2 and 4 of the Bill of Complaint herein, should not be granted, the preliminary injunction asked in paragraph 2 being limited to claims 1 and 4 of the patent in suit.

It Is Further Ordered that service of a copy of this order, the bill of complaint herein, the affidavit of Edward Becher, verified the 6th day of July, 1928, and Exhibits 1, 3, 4, 5, 6 and 7 attached thereto, upon Moers & Rosenschein, Esq'rs., attorneys for defendants, on or before the 7th day of July, 1928, shall be good and sufficient service and notice hereof.

It Is Further Ordered that this case be placed at the head of the motion calendar to be heard the 10 day of July, 1928.

Wm. Bondy, U. S. D. J.

[fol. 13] In United States District Court

[Title omitted]

Affidavit of Edward Becher

In a Suit About to Be Commenced

State of New York,
County of New York, ss:

Edward Becher, being duly sworn, deposes and says: I am the plaintiff in the above entitled case and I am familiar with the facts and circumstances connected therewith.

I further depose and say that I identify Exhibit 1, attached hereto, as my patent in suit No. 1,634,316.

I further identify a massaging machine made in accordance with this patent by me and it is a sample of what I made for the defendants and upon their order. I identify this as Exhibit 2.

I further depose and say, on information and belief, that within the last few months and since the date of my said

Letters Patent in suit, the defendants have infringed my patent and particularly claims 1 and 4 thereof, by manufac- [fol. 14] turing such structures of which Exhibit 2 is a sample.

I further depose and say that an order has been served on my counsel and a proposed assignment providing for an assignment of my patent to the defendant Oppenheimer. I believe that this assignment is improper and that the Court has no jurisdiction enabling it to order such an assignment and that its order directing such an asignment is utterly null and void. I make this statement on the advice of my counsel, who advised me that under the Constitution of the United States and the laws made pursuant thereto, the entire and exclusive jurisdiction in patent suits involving the validity of a patent is vested in the United States Courts and that the State Courts are forbidden to function therein. I understand that a State Court can direct the transfer of a title to a patent, but it cannot pass on the validity of a patent to say whether or not a patent is valid or invalid. In the suit in the State Courts referred to in the Bill of Complaint herein, the complaint alleges that I received the idea of my patent here in suit from one Oppenheimer, and appropriated the same and went in the Patent Office and took out the patent, which is now the patent in suit aforesaid, see paragraphs 9 and 10 of the complaint, a copy of which is annexed hereto and made a part hereof. In paragraph 11 I am accused of perjury.

I deny each and all of these allegations in the complaint as shown by my answer, a copy of which is annexed hereto [fol. 15] and made a part hereof. A copy of the complaint I identify as Exhibit 3, and a copy of the answer as Exhibit 4.

It will be seen from the foregoing that the issue between the parties is a question of originality. I claim that I made the invention and derived no knowledge of any kind from Oppenheimer. Oppenheimer claims that he originated the invention and that I copied from him. I understand that this is an interference matter of a well known type in the Patent Office, where such issues of originality are frequently tried in Patent Office interferences.

Oppenheimer filed an application in June, 1926, and after he saw my patent he copied my claims and made a supplemental oath. I annex hereto and make a part hereof a copy of the drawing of this application as Exhibit 5. A copy of the declaration of interference now pending undetermined between us, I annex hereto and make a part hereof as Exhibit 6.

From the foregoing it is apparent that a decision of the State Court suit depends entirely on the question of origin of invention and that is the exact matter in issue in the Patent Office interference. That the decision of the State Court in holding that I fraudulently appropriated the invention of Oppenheimer and took out a patent therefor, is a decision holding that my patent is invalid because Oppenheimer is the prior inventor thereof and thereby passes directly on the validity of my patent. I am advised by counsel that such a decision by a State Court is unconstitutional, contrary to the laws of the United States and ut [fol. 16] terly null and void and therefore pursuant to this advice, I file this Bill of Complaint, I make this affidavit and I ask for the relief requested by my counsel.

I further depose and say that the judgment of the State Courts for $1,195.85 and the interference with my business, is the great hardship.

I attach a copy of this judgment hereto as Exhibit 7.

Edward Becher.

Sworn to and subscribed before me this 6th day of July, 1928. Stella Holtzmann, Notary Public, Kings County. Kings Co. Clerk's No. 270, Reg. 385. N. Y. Co. Clerk No. 730, Reg. 0-482. Commission expires March 30, 1930. (Seal.)

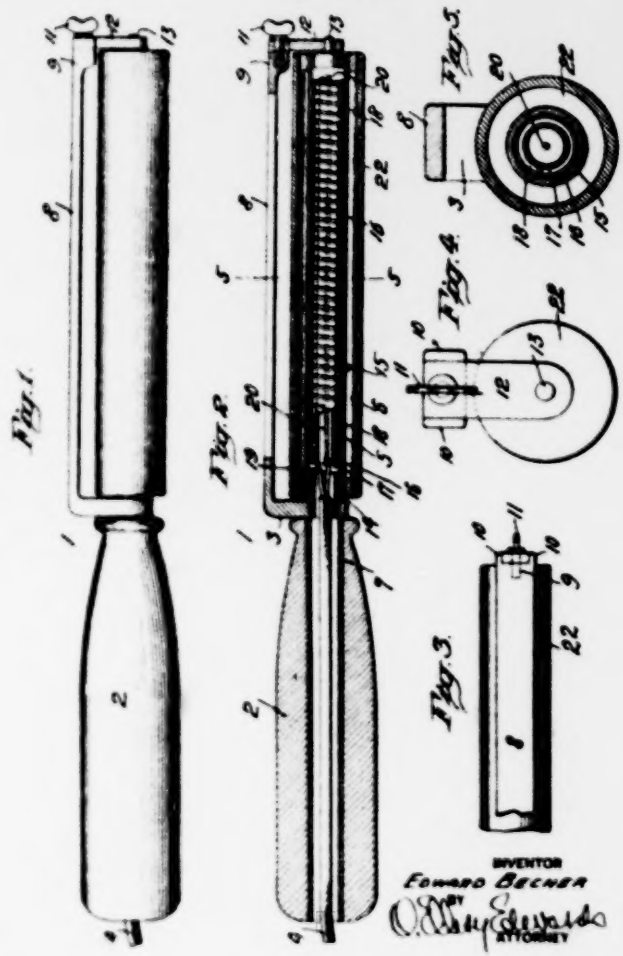
Exhibit 1 to Affidavit of Edward Becher

(Here follows affidavit marked side folio pages 16a, 16b, and 16c)

July 5, 1927. E. BECHER 1,634,316

MASSAGING HEATING ROLLER

Filed March 27, 1926



INVENTOR
EDWARD BECHER
BY
ATTORNEY

Patented July 5, 1927. 1,634,316

UNITED STATES PATENT OFFICE.

EDWARD BECHER, OF NEW YORK, N. Y.

MASSAGING HEATING ROLLER.

Application filed March 27, 1926. Serial No. 97,043.

The object of my invention is to provide a roller of this class which can be heated without giving too intense a heat and which can be rolled over the flesh of a patient while held by a handle. More particularly the invention involves a structure wherein the electric heating parts are fixed relatively to the handle so that there are no sliding contacts. This object is accomplished by my invention, one embodiment of which is hereinafter more particularly set forth.

For a more particular description of my invention, reference is to be had to the accompanying drawings, forming a part hereof, in which

Figure 1 is a side elevation of a tool embodying my improvement.

Figure 2 is a longitudinal section of the same.

Figure 3 is a plan view of a portion of this instrument.

Figure 4 is an enlarged end view of the same, and

Figure 5 is an enlarged section, taken on the line 5—5 of Figure 2.

Throughout the various views of the drawings, similar reference characters designate similar parts.

My improved massaging tool or instrument 1 is composed of a handle 2, a frame 3 on which the handle is mounted, an electric conductor with two wires 4, a heating element 5 with a cylindrical wall and a roller 6 with internal flanges revolving on the exterior of the heating element.

The handle 2 may be made of any desired shape and size and it is hollow to receive the hollow tang 7 of the frame 3. At one end of the handle this frame extends laterally until clear of the roller 6 and then it runs parallel to the roller 6, as shown at 8, to its enlarged end 9. This enlarged end has two projections 10 and a screw threaded hole adapted to receive a thumb screw 11 which passes through the removable end 12 of the frame 3. This end 12 is perforated to receive a lug 13 which is fixed to one end of the heating element 5.

The conductor 4 runs through a boss 14 which is fixed in one end of a cylinder 15 of the heating element and the lug 13 is at the other end of this cylinder. This cylinder is lined with an insulator, such as asbestos 16, and inside this and concentric with it is another asbestos or similar cylinder 17 and between these two cylinders is a spiral heating element 18 with its ends connected to conductors 19 and 20, the end 19 being connected to the end of the spiral next to the handle 2 and the conductor 20 extending through the center of the cylinder 17 to the end remote from the handle 2 and there joins the spiral 18 with which it is preferably made integral. The joint of the wire 20 is preferably made near the handle 2.

The roller 6 has internal end flanges 21 which may be made integral with the cylindrical part of this roller and these flanges turn freely on the cylindrical surface 16 of the heating element. An air space 22 is preserved between the roller 6 and cylinder 15. The frame 3 with its laterally extending parts, one next to the handle 2 and the other the end 12, keeps the roller 6 on the cylinder 15.

In view of the foregoing, the use of my instrument will be readily understood. Assuming electric energy is turned on to the heating element through the conductor 4 and the same is heated, this heat radiates out through the asbestos or other lining 16 and is conducted through the cylinder 15, which is preferably made of brass, or similar heat conducting material, and from thence is passed through the air space 22 to the cylinder 6 which is never overheated because of the air space. Once the roller 6 is sufficiently warm, it is rolled over the surface to be massaged, back and forth, as much as desired, and if necessary any liniment or other material may be spread on this surface before this rolling so as to cause the same to be absorbed by the skin of the patient. When the massaging is ending, the current may be shut off from the conductors 4 and 5 the operation continued for several minutes because the roller 6 will continue to be hot for a time during the cooling heating element.

While I have shown and described one embodiment of my invention, it is obvious that it is not restricted thereto, but that it is broad enough to cover all structures that come within the scope of the annexed claims.

Having thus described my invention, what I claim is:

1. A massage instrument comprising a hollow handle, a U-shaped frame secured to

said handle, a heating element fixed to said handle and projecting longitudinally therefrom and a roller mounted rotatably upon said heating element and restrained by said frame from longitudinal movement.

2. A massage instrument, a heating element with an exterior, cylindrical surface, a roller with an air space mounted rotatably on said cylindrical surface and means for keeping the roller from shifting longitudinally.

3. A massage instrument, a hollow handle with a frame secured thereto, a heating element fixedly mounted in said frame, a roller rotatably mounted on said heating element and prevented from excessive longitudinal movement by said frame.

4. A massage instrument, a handle, a frame with a hollow shank passing through said handle, an electric heating element fixedly mounted in said frame and having a cylindrical outer surface and means for supplying said heating element with electricity and a cylindrical roller with internal flanges resting on and turning on said heating element so that an air space is preserved between the greater portion of said roller and said heating element, whereby the roller will function at a suitable temperature.

5. A massage instrument comprising a handle, a heating element carried by said handle, a frame also carried by said handle and a removable outer portion upon said frame for assisting in supporting said heating element.

6. A massage instrument comprising a handle, a heating element carried by said handle, a frame also carried by said handle, a roller carried by said heating element, a removable outer portion upon said frame for assisting in supporting said heating element and maintaining said roller upon said heating element.

7. A tool of the class described comprising a handle, a heating element fixed to said handle and extending longitudinally from one end thereof and a roller mounted rotatably upon said heating element and having the greater portion thereof spaced from said heating element.

In testimony whereof, I have hereunto set my hand this 23d day of March, 1926.

EDWARD BECHER.

[fol. 17] EXHIBIT 3 TO AFFIDAVIT OF EDWARD BECHER

(State Court Case No. 23237/27. Complaint dated September 22, 1927.)

Plaintiffs, by Moers & Rosenschein, their attorneys, complaining of the defendant herein, respectfully allege:

1. That at all times hereinafter mentioned, plaintiff Contoure Laboratories, Inc., was and now is a domestic corporation.

2. That at all times hereinafter mentioned and for some time prior to 1925, the defendant was a machinist and owned and operated a machine shop.

3. That for a long time prior to March, 1926, plaintiff, Herbert Oppenheimer, was engaged in inventing a certain instrument designated by him as an "apparatus for promoting osmotic absorption" or an "ozmosifier iron."

4. That several months prior to the month of March, 1926, said plaintiff Oppenheimer engaged the defendant as a machinist to make certain mechanical parts of said instrument, for which said plaintiff Oppenheimer agreed to pay defendant.

5. That thereafter, said plaintiff Oppenheimer modified and improved his said invention, the said instrument, from time to time and engaged the defendant to make various mechanical parts of said instrument as modified and improved.

[fol. 18] 6. That at the time of engaging the said defendant as a machinist, said plaintiff Oppenheimer and the defendant agreed that the defendant as a machinist would from time to time do certain work for the said plaintiff Oppenheimer under the instruction and direction of said plaintiff, for the purpose of making models to be used in application by said plaintiff for letters patent, for which said plaintiff agreed to pay to the defendant, and the defendant would keep secret and confidential such information and knowledge as he would obtain from said plaintiff in the course of such instruction and direction by said plaintiff and in the course of the services rendered and work done by the defendant as a machinist in that connection.

7. That at the time of originally engaging the defendant to make said mechanical parts and from time to time thereafter, said plaintiff Oppenheimer necessarily disclosed to the defendant his said inventions and the modifications and improvements thereof, his ideas originating the same, the manner of making the same, the novelty thereof and all its various parts, the use to which the same might be put, the commercial value thereof and various methods of manufacturing the same and combining the elements of novelty.

8. That in or about the month of February, 1926, said Oppenheimer necessarily disclosed to said defendant in order to enable him at the request of said plaintiff Oppenheimer to manufacture certain parts thereof, an improved [fol. 19] instrument conceived by the said Oppenheimer, which consisted of a heating element composed of asbestos and wire, enclosed in a brass tube and the whole thereof enclosed in an aluminum roller which rotated around the brass tube, itself stationary and connected or attached to a wooden handle with a metal frame or top bar over the roller, the heating element in the brass tube being connected with a wire running through the wooden handle intended to be connected with a source of electric energy such as a socket.

9. That without the knowledge or consent of the plaintiffs or either of them, and in or about the month of March, 1926, while he was thus engaged in making mechanical parts for said plaintiff Oppenheimer and after ascertaining from said plaintiff Oppenheimer the ideas, facts and information above set forth and all the facts concerning the said invention of plaintiff Oppenheimer and the modification and improvements thereof, the defendant appropriated to his own use said ideas and said invention and the modification and improvements thereof, and in violation of his agreement, made application to the Commissioner of Patents of the United States for letters patent upon the said instrument by application known as Serial No. 97862.

10. That on or about the 27th day of March, 1926, said defendant filed in the United States Patent Office, a petition, specification of claims and oath upon said application for letters patent bearing Serial No. 97862, which application

[fol. 20] was granted and letters patent issued to said defendant bearing No. 1,634,316.

11. That in said petition, specification, claims and oath the defendant falsely stated that he had invented said instrument; that he was the original, first and sole inventor thereof; that he did not know and did not believe that the same was ever known or used before his alleged invention or discovery thereof.

12. That said statements were false and untrue in that the defendant had misappropriated the knowledge obtained by him from plaintiff Oppenheimer during the course of his employment as machinist; that he had not invented said instrument; that he was neither the original nor the first nor the sole inventor thereof; that he knew and believed that the same was known and used before his alleged invention or discovery thereof, namely, by the said plaintiff Oppenheimer, who to the knowledge of the defendant was the inventor thereof, and that defendant knew that all of his said statements were false and untrue.

13. That the letters patent thus applied for by the defendant and issued to him were for an instrument consisting of a heating element composed of abestos and wire enclosed in a brass tube, the whole thereof enclosed in an aluminum roller which rotates around the brass tube, itself stationary and connected or attached to a wooden handle with a metal frame or top bar over the roller, the heating element in the brass tube being connected with a wire running through [fol. 20] the wooden handle intended to be connected with a source of electric energy such as a socket.

14. That on or about the 23rd day of June, 1927, said Oppenheimer duly assigned, transferred and set over unto the plaintiff herein all his right, title and interest in and to said instruments, inventions and modifications and improvements thereof, and the sole and exclusive right thereto and all letters patent then or thereafter issued thereon.

15. That until on or about the 15th day of August, 1927, neither the plaintiffs nor either of them had any knowledge either of said application by the defendant for said letters patent or of the issuance of said letters patent to the defendant.

16. That without such knowled[illegible], the plaintiff continued until the discovery of the existence of said application for and issuance of said letters patent, to procure the defendant to manufacture for it the instruments invented by said plaintiff Oppenheimer.

17. That immediately upon discovering the existence of said application for and the issuance to the defendant of said letters patent, plaintiffs demanded that the defendant discontinue making any instruments pursuant to the letters patent issued to the defendant, or similar thereto, or modifications or improvements thereof, and demanded that the defendant transfer, set over and assign to said Oppenheimer or the plaintiff all his right, title and interest in [fol. 22] and to said letters patent issued in the name of the defendant, which the defendant refused to do.

18. That plaintiffs have established a substantial trade in the instruments above described in connection with the use of certain preparations and are daily engaged in selling large quantities of preparations and hiring out instruments for use in connection therewith and have invested large sums of money in the manufacture and distribution thereof.

19. That defendant threatens to manufacture and sell and has manufactured and sold instruments such as are described in said letters patent issued to him, to the irreparable injury of the plaintiff and said Oppenheimer.

20. That the plaintiffs have no adequate remedy at law.

Wherefore, plaintiffs demand judgment: (1) declaring the defendant a trustee ex his own wrong for the benefit of the plaintiff Contoure Laboratories, Inc., as assignee of said Oppenheimer, of the said invention and the letters patent issued to the defendant under No. 1,634,316; and any and all modifications and improvements thereof; (2) that the defendant be enjoined and restrained from using, manufacturing, selling, hiring out or otherwise using, distributing or disposing of any of said instruments or any part thereof or modification thereof; (3) that the defendant be enjoined and restrained from transferring, assigning, and granting any rights, licenses or priveleges under said letters patent, or to such instruments or any similar in-

[fol. 23] strument, instruments or parts or modifications thereof; (4) that the defendant be directed to deliver up to the plaintiffs all instruments and parts thereof now in his possession; (5) that the damages to the plaintiffs be ascertained and the defendant be directed to pay the same; and (6) that the plaintiffs have such other and further relief as to the Court may seem just and proper, together with the costs and disbursements of this action.

Moers & Rosenschein, Attorneys for Plaintiffs, 280 Madison Avenue, New York City.

City, County and State of New York, ss:

Herbert Oppenheimer, being duly sworn, deposes and says: I am one of the plaintiffs in this action and President of Contoure Laboratories, Inc., the other plaintiff in this action. I have read the foregoing complaint and know the contents thereof. The same is true of my own knowledge.

Herbert Oppenheimer.

Sworn to before me, this 22nd day of September, 1927. Betty Levine, Notary Public, Kings County. Clerk's No. 340, Reg. No. 8411. N. Y. Co. Clerk's No. 926, Reg. No. 8117-A. Bronx Co. Clerk's No. 94, Reg. No. 2861-E. Commission expires March 30th, 1928.

[fol. 24] Exhibit 4 to Affidavit of Edward Becher

(State Court Case No. 23237/27. Amended and supplemental answer. Dated December 2, 1927.)

Defendant for his Amended and Supplemental Answer to Plaintiff's Complaint alleges:

First. He denies the allegations in paragraphs designated 1, 4, 5, 6, 7, 8, 9, 11, 12, 16, 17 and 20 of plaintiffs' complaint contained.

Second. He denies any knowledge or information sufficient to form a belief as to the allegations in paragraphs designated 3, 14, 15 and 18 of plaintiffs' complaint contained.

Third. He admits the allegations in paragraph designated 19 of plaintiffs' complaint contained except that he denies that part thereof which reads "to the irreparable injury of the plaintiff and said Oppenheimer."

For a First Separate and Complete Defense

Fourth. That on or about the 5th day of July, 1927, Letters Patent No. 1,634,316, with seven claims allowed and incorporated therein, was published and issued to the defendant by the United States Patent Office on an application filed by defendant on the 27th day of March, 1926; which Letters Patent covered Massaging Heating Rollers.

Fifth. Upon information and belief, that on or about [fol. 25] the 26th day of June, 1926, the plaintiff Oppenheimer filed, in said Patent Office, an application for Letters Patent for a Method and Apparatus for Promoting Osmotic Absorption.

Sixth. Upon information and belief that the plaintiff Oppenheimer, after the publication referred to in paragraph Fourth hereof, and because of having seen that publication, filed in said Patent Office an amendment to his said application adding thereto and seeking the allowance thereunder of seven additional claims, which seven additional claims were copied word for word from the aforesaid seven claims of defendant's said Letters Patent.

Seventh. That on or about October 19, 1927, and upon information and belief as the result of the amendment aforesaid, said Patent Office declared an interference between defendant's said Letters Patent and a then pending application of plaintiff Oppenheimer for Letters Patent; and upon information and belief, that said pending application so placed in interference with defendant's Letters Patent aforesaid is the application of the plaintiff Oppenheimer referred to in paragraph Fourth hereof.

Eighth. Upon information and belief that on or about June 23, 1927, before the commencement of this action, the plaintiff Oppenheimer duly assigned, transferred and set over unto the plaintiff corporation all his right, title and interest in and to the invention claimed in his said application [fol. 26] so declared in interference with defendant's afore-

said Letters Patent, and modifications and improvements thereof, and the sole and exclusive right thereto and all Letters Patent issued thereon.

Ninth. That the said interference is now pending and undetermined.

Tenth. That such interference is for the same cause as set forth in the complaint herein.

For a Second Separate and Complete Defense

Eleventh. Defendant repeats and realleges the allegations in paragraphs designated "Fourth," "Fifth," "Sixth," "Seventh," "Eighth," "Ninth" and "Tenth" of the First Separate and Complete Defense contained.

Twelfth. That this court has not jurisdiction of the subject of this action which is a patent matter.

Wherefore defendant demands judgment dismissing plaintiffs' complaint and awarding defendant the costs and disbursements of this action.

Edwards & Henry, Attorneys for Defendant. Office & P. O. address: 233 Broadway, Borough of Manhattan, New York City.

[fol. 27] State of New York,
County of New York, ss:

Edward Becher, being duly sworn, says that he is the defendant in the above entitled action; that he has read the foregoing answer and knows the contents thereof; that the same is true of his own knowledge except as to the matters therein stated to be alleged upon information and belief and that as to those matters he believes it to be true.

Edward Becher.

Sworn to before me this 2nd day of December, 1927. Floyd M. Sheffield, Notary Public, Nassau County. N. Y. Co. Clerk 981, Register 9728. Queens Co. Clerk 2501, Register 4840. Commission expires March 30, 1929.

Exhibit 5

Drawing of Oppenheimer application in interference. See Exhibit 6, p. 28 for declaration of interference. For specification of the Oppenheimer application see Exhibit 2 attached to this affidavit, record, page 63.

(Here follows Exhibit 5, marked side folio page 27a)

[fol. 28] Exhibit 6 to Affidavit of Edward Becher

Declaration of interference between Herbert Oppenheimer application Exhibit 2 attached to the Oppenheimer affidavit (Record, page 63) and the patent of Edward Becher No. 1,634,316 granted July 5, 1927. This interference was declared October 25, 1927, No. 55956.

The case, above referred to, is forwarded to the Examiner of Interferences because it is adjudged to interfere with others, hereafter specified. The question of priority will be determined in conformity with the Rules. The interference will be identified as No. 55956. On or before Nov. 21, 1927, the statement demanded by rule 110 must be sealed up and filed with the subject of invention, and name of party filing it, indorsed on the envelope. The subject-matter involved in the interference is.

Count 1

A massage instrument comprising a hollow handle, a U-shaped frame secured to said handle, a heating element fixed to said handle and projecting longitudinally therefrom and a roller mounted rotatably upon said heating element and restrained by said frame from longitudinal movement.

Count 2

A massage instrument, a heating element with an exterior, cylindrical surface, a roller with an air space [fol. 29] mounted rotatably on said cylindrical surface and means for keeping the roller from shifting longitudinally.

FIG. 1.

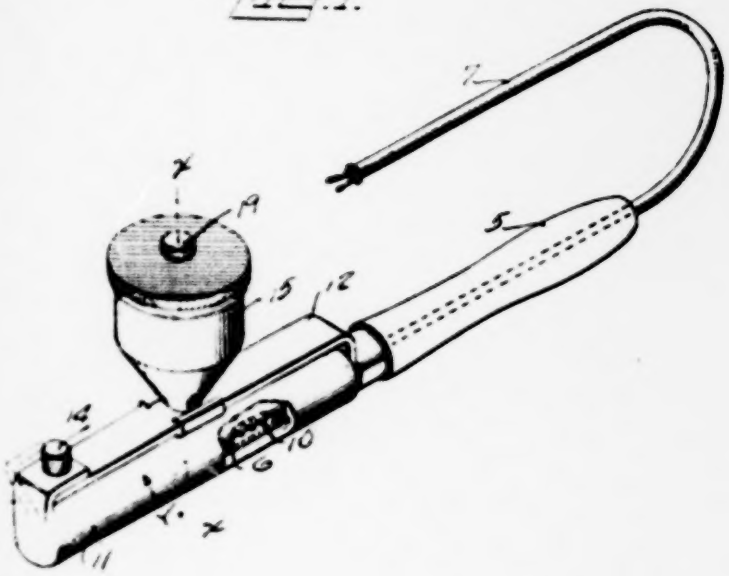


FIG. 2.

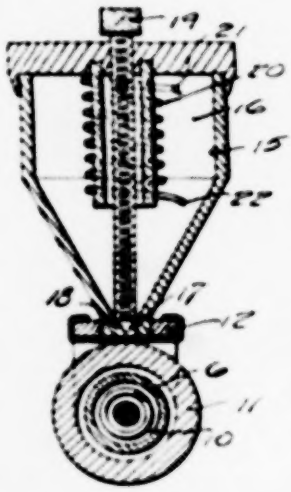
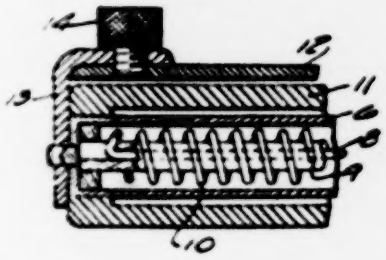


FIG. 3.



Herbert Oppacher INVENTOR

Count 3

A massage instrument, a hollow handle with a frame secured thereto, a heating element fixedly mounted in said frame, a roller rotatably mounted on said heating element and prevented from excessive longitudinal movement by said frame.

Count 4

A massage instrument, a handle, a frame with a hollow shank passing through said handle, an electric heating element fixedly mounted in said frame and having a cylindrical outer surface and means for supplying said heating element with electricity and a cylindrical roller with internal flanges resting on and turning on said heating element so that an air space is preserved between the greater portion of said roller and said heating element, whereby the roller will function at a suitable temperature.

Count 5

A massage instrument comprising a handle, a heating element carried by said handle, a frame also carried by said handle and a removable outer portion upon said frame for assisting in supporting said heating element.

Count 6

A massage instrument comprising a handle, a heating [fol. 30] element carried by said handle, a frame also carried by said handle, a roller carried by said heating element, a removable outer portion upon said frame for assisting in supporting said heating element and maintaining said roller upon said heating element.

Count 7

A tool of the class described comprising a handle, a heating element fixed to said handle and extending longitudinally from one end thereof and a roller mounted rotatably upon said heating element and having the greater portion thereof spaced from said heating element.

This interference involves the patent above identified and an application of——

Herbert Oppenheimer, 53 West 72nd Street, New York, N. Y., for Method and Apparatus for Promoting Osmotic Absorption, whose attorney is George H. Benjamin, 25 West 43rd Street, New York, N. Y.

The relation of the counts of the interference to the claims of the respective parties is as follows:

Counts	Becher	Oppenheimer
1	1	6
2	2	7
3	3	8
4	4	9
5	5	10
6	6	11
7	7	12

Counts compared.

——— ———, Examiner, Division 43.

[fol. 31] Exhibit 7 to Affidavit of Edward Becher

(State Court Case No. 23237/273

Judgment

The above entitled action having been commenced by the service of the summons personally upon the defendant, and the defendant having appeared and answered herein, and the issues joined having been referred to Honorable Russell Benedict, Official Referee, to hear and determine by order made by Honorable Harry E. Lewis, one of the Justices of this Court, which order was dated December 19, 1927, and was entered in the office of the Clerk of Kings County on December 19, 1927, and said issues having been tried on the 16th day of February, 8th day of March and 7th day of June, 1928, and after hearing all the evidence adduced by the respective parties, said Official Referee having made his decision herein in writing dated June 29th, 1928, and which said decision was duly filed in the office of the Clerk of Kings County on the 3rd day of July, 1928.

Now, on motion of Moers & Rosenzchein, attorneys for the plaintiffs, it is

Adjudged that the defendant, Edward Becher, is and ever since March, 1926, has been trustee ex maleficio for the **benefit plaintiff, Herbert Oppenheimer, of the invention and letters patent issued by the Commissioner of Patents of the United States to the defendant herein under No. 1634316 and any and all modifications and improvements thereof, and it is further**

Adjudged that within five days after service of notice of entry of this judgment upon the attorneys for the de- [fol. 32] fendant, the said defendant Edward Becher deliver to the plaintiffs, or to their attorneys, Moers & Rosenschein, at the office of said Moers & Rosenschein, 280 Madison Avenue, Borough of Manhattan, City of New York, an assignment of patent in the form of the proposed assignment hereto annexed and marked Exhibit A, executed and acknowledged by said defendant, and it is further

Adjudged that said defendant be and he hereby is forever enjoined and restrained from using, manufacturing, selling, hiring out or otherwise using, distributing or disposing of any instruments described in or similar to the instrument or invention referred to in said letters patent or any parts thereof or modifications or improvements thereof, and it is further

Adjudged that the defendant be and he hereby is forever enjoined and restrained from transferring, assigning or granting any rights, licenses or privileges under said letters patent, or to such instruments or any similar instruments or parts or modifications or improvements thereof, and it is further

Adjudged that within said period of five days after service of notice of entry of this judgment upon the attorneys for the defendant, the defendant deliver up to plaintiff, Herbert Oppenheimer, or to Moers & Rosenschein, attorneys for plaintiffs at the office of said Moers & Rosenschein, 280 Madison Avenue, Borough of Manhattan, City of New York, all such instruments and parts thereof now in his possession, and it is further

Adjudged that the plaintiffs recover of the defendant, Edward Becher, $195.85 costs of this action as taxed to- [fol. 33] gether with the sum of $1,000.00 extra allowance

to the plaintiffs, in all the sum of $1,195.85 and that the plaintiffs have execution thereof.

Judgment entered this 5th day of July, 1928,

William E. Kelly, Clerk.

Approved as to form. Russell Benedict, Official Referee of the Second Judicial Department.

EXHIBIT A TO EXHIBIT 7

Whereas, I, Edward Becher, residing at 1310A Myrtle Avenue, in the Borough of Brooklyn, City and State of New York, did obtain Letters Patent of the United States for an improvement in Massage Heating Roller, which Letters Patent are No. 1634316 and bear date the fifth day of July, 1927, and

Whereas, judgment was entered in the Supreme Court of the State of New York, Kings County directing me to transfer, set over and assign to Herbert Oppenheimer of Borough of Manhattan, City of New York, said Letters Patent,

Now, therefore, to whom it may concern, be it known, that pursuant to the provisions of said judgment, I the said Edward Becher have transferred, set over and assigned and by these presents do transfer, set over and assign unto said Herbert Oppenheimer, the whole right, title and in- [fol. 34] terest in and to the said improvement in Massage Heating Roller, and in and to the Letters Patent therefor aforesaid; the same to be held and enjoyed by said Herbert Oppenheimer for his own use and behoof and for the use and behoof of his legal representatives to the full end of the term for which said Letters Patent are or may be granted as fully and entirely as if the same would have been held and enjoyed by me had this assignment not been made.

In witness whereof, I have hereunto set my hand and affixed my seal at the Borough of Brooklyn, City and State of New York, this — day of ——, 1928.

——— (L. S.)

In the Presence of: ——— ———.

State of New York,
County of Kings,
City of New York, ss:

On this — day of ——, 1928, before me came Edward Becher, to me known and known to me to be the individual described in and who executed the within assignment and he duly acknowledged to me that he executed the same.

In United States District Court

Memorandum of Judge Mack

Memorandum on cover of Order to Show Cause filed July 6, 1928, as follows:

"Filed July 6th, 1928, at 3.37 P. M.
Motion Denied.

J. W. M., U. S. C. J."

7/10/28.

[fol. 35] In United States District Court

Affidavit of Herbert Oppenheimer—Filed July 11, 1928

State of New York,
County of New York,
City of New York, ss:

Herbert Oppenheimer, being duly sworn, deposes and says, I am one of the defendants herein, and am President of Contoure Laboratories, Inc., the other defendant herein.

As appears from the pleadings a judgment has been entered in the Supreme Court of the State of New York, Kings County in an action wherein the defendants herein were plaintiffs and the plaintiff herein was defendant, declaring plaintiff herein trustee ex maleficio of the patent which is the subject of this action for the benefit of defendant, Oppenheimer and compelling plaintiff herein to transfer said patent to said Oppenheimer by assignment.

The judgment of the State Court also enjoins the plaintiff herein from exercising any rights under said patent.

The plaintiff obtained knowledge of the facts upon which he based his application for patent during the course of his employment by me as a machinist to make certain parts of a massage instrument for me in creating the models necessary to procure letters patent thereon, and generally to perfect the same. The plaintiff misappropriated the knowledge thus obtained and secretly procured the letters patent mentioned in his bill of complaint in his own name.

Before I met the plaintiff, I had actually made a complete model of the instrument and was contemplating modi- [fol. 36] fications thereof. This instrument was wholly my own conception and idea and invented solely by myself. The modifications which I contemplated were my own conception and idea and I was the sole inventor thereof. I then required a machinist to make mechanical parts to carry out certain of my conceptions and ideas. On December 18th, 1925, I went to the place of business of the plaintiff, who had been recommended to me as a machinist. I told him that I had invented an instrument and exhibited to him the one which had actually been made, and explained to him that I had conceived a method of modifying and improving it. He said that such an instrument was new to him and that I would have to explain to him in detail what I wanted done. I told him that this invention was entirely my own and that I would like him to do some mechanical work for me upon models which were necessary so that I could obtain a patent and also for the purpose of experimenting and improving the instrument.

I told him that I would want him to make mechanically the various parts which I would describe to him from time to time and which I desired to use in connection with the instrument as I would modify and improve it from time to time. I explained to him that these parts as well as the whole instrument both in process of development and as completed must be restricted to my own use and that it would be necessary for me to trust him with my secret ideas and conceptions concerning the same, in order to enable him to make the various parts mechanically. [fol. 37] He thereupon assured me that I could trust him entirely and that he would keep the matter confidential.

Accordingly, in exhibiting to him the model that I had already made, I pointed out to him that this instrument was intended to be electrically heated and used in the application of certain preparations of which I owned the formulas, upon the face and body. The instrument in its then state consisted of a casing and handle containing three rollers, two of them on either end to be heated and the third or center one to be used in applying the preparation.

Prior to meeting plaintiff, I had procured another machine firm to make up the original model. On September 22nd, 1925, I engaged the Interstate Mechanical Laboratories of 521-531 West 57th Street, New York City, to make the mechanical parts of the instrument upon which I was then experimenting. From that time until November 21, 1925, these experiments continued and for a period of nine weeks I paid to the Interstate Mechanical Laboratories, $70 or $80 each week for labor performed on the model and its changes. In all I paid that concern $676.70.

On November 3rd, 1925, when the model was substantially completed, I engaged a patent attorney for the purpose of procuring letters patent. This was Mr. George Hillard Benjamin of 25 West 43rd Street, New York City.

On November 24th, 1925, a draftsman was engaged to [fol. 38] prepare the drawings necessary upon the application for letters patent. On December 10th, 1925, I actually signed the application for letters patent which were filed in the United States Patent Office on December 18th, 1925. All these things occurred before I ever met the defendant. A copy of my petition, specification claims and oaths filed on my behalf on December 18th, 1925, given serial number 76276 is hereto annexed and marked Exhibit 1.

It was only after these things had been done that I went to the plaintiff to engage him as a machinist. What I said to plaintiff at that time was not that I had a patent but that an application for patent was pending. On that day I delivered the model to the plaintiff, for which he gave me the following receipt. From that receipt it appears that the plaintiff was engaged in the business of "general repairs of links and links knitting machines and plain drive and automatic attachments made." The receipt is as follows:

[fol. 39] "Telephone Evergreen 8182

Edward Becher, General Repairs of Links & Links Knitting Machines, also Plain Drive and Automatic Attachments Made, 1206 Myrtle Avenue, Brooklyn, N. Y.

Dec. 18, 1925.

H. Oppenheimer, 205 E. 44th St.:

Received for estimating purposes 1 oznosifier iron—and is to be returned on Mon. Dec. 21/25.

(Signed) Edward Becher.

Except for the signature and the letterhead portion, the receipt is in my handwriting.

He returned with the estimate on December 22nd, 1925, when I gave him the order, a copy of which is as follows:

[fol. 40] "Slendaform Laboratories, 205 East 44th Street, New York

Vanderbilt 2861

Mr. Edward Becker, 1310 Myrtle Avenue, Brooklyn, N. Y.

Dear Sir: We herewith give you our order for ten (10) irons, patented by us, under the following conditions:

The cost to us for each iron is to be Fifteen Dollars ($15.00).

We agree to pay for them when they are finished and delivered to us.

They are to be delivered in about two (2) weeks from the date of this order.

The ownership of all castings, dies, patterns, special tools etc. are to revert to us when we have bought and paid for fifty (50) irons, irrespective of the lower price we may pay for them in the future. The above mentioned castings, dies, patterns and special tools, etc., refer to those only made and used by you in the manufacture of our iron.

The iron is to be made of aluminum, except those parts, as indicated on the model that are made of brass. This does not include the casing around the plug, which is to be made of aluminum.

[fol. 41] The iron is to be made exactly the same as the sample or model furnished, with the following exceptions as to details.

The openings in the preparation chamber of box are to be slightly smaller (a hair's breadth).

The ends are to be made thicker so the handle will fit into a slot, instead as at present, (on the outside). The handle is also to be slightly higher and thicker, so that a better grip is possible.

Box lock is to be improved so it will be more efficient.

A notch or tread is to be used on the middle hollow tube, so that it will lock and not leak.

The frame is to be slightly wider so as to make room for a thicker asbestos.

There is to be a collar or finish of some kind around the edge of the tube, where the heating wire comes through to be joined at the top. This wire is to be encased in a tubing or covered in some practical manner. All electrical parts are to be insulated 100%.

Yours very truly, (Signed) Herbert Oppenheimer.

Accepted.
(Signed) Edward Becher.

At that time I was doing business under the firm name of Slendaform Laboratories. The foregoing order was prepared entirely by myself and the instructions as to the details of manufacture as therein stated were prepared by [fol. 42] myself. Not only did Becher make no suggestion on the subject, but as he now admits, he knew nothing about the machine or its purpose.

Some time in January, these ten machines were delivered. I immediately asked him to make 25 more. While he was making those 25, I tried the first ten and discovered that the heating irons did not work properly. There was not a steady supply of heat. Very soon the other 25 instruments were ready. I went to the plaintiff and asked him to make a change in all 35 instruments. This was without suggestion from him.

I told him that for a long time I had had another idea as to the method of heating the rollers and that I would instruct him as to the changes which I desired made upon the irons which he had already manufactured. I told him that

what I wanted at that time was that he make new rollers for me, different from the ones which were contained in those irons, namely:

The heated rollers in the instrument already made consisted of an aluminum roller and above it a brass tube containing a heating element consisting of wire and asbestos. The aluminum roller rotated against the brass tube containing the heating element. Now I desired to make a change as follows: Instead of having the brass tube containing the heating element on top of the aluminum roller, I asked him to make the identical brass tube with the identical heating element contained therein, the whole enclosed in the aluminum roller instead of above it, and I explained to him the [fol. 43] manner in which I desired the brass tube connected to the electric wire, and in what way I wanted the aluminum roller placed so as to rotate around the brass tube.

While these irons were being altered, I experimented further and conceived the idea and was the sole inventor of a further improvement and modification of the iron, consisting simply of reducing the instrument to a single roller and handle.

The single roller instrument was merely a reduction in size of the instrument already manufactured for me by the plaintiff. It eliminated two of the rollers and confined the instrument to a single roller. This occurred about the middle of February. I have definitely ascertained this date from consulting the records of George H. Benjamin, my patent attorney, from which it appears that on February 9, 1926, I called on him for the purpose of requesting him to make a second application for patent, this one covering the single roller instrument. From that time on, I experimented with the single roller instrument, and the plaintiff, at my request, and under my instructions made various forms of it. There are at least four of such models.

I instructed him as to the parts which I desired made and explained to him how I desired these parts made and fitted so that I would have a model for the purpose of obtaining a patent. Under my instruction, he made four separate [fol. 44] models from that time until about the middle of March, 1926. I instructed him how to make each of these models and told him how I wanted each of the mechanical parts constructed.

The instrument as finally modified and improved consisted of a heating element composed of asbestos and wire enclosed in a brass tube and the whole thereof enclosed in an aluminum roller, which rotated around the brass tube, itself sationery and connected or attached to a wooden handle with a metal frame or top bar over the roller, the heating element in the brass tube being connected with a wire running through the wooden handle, intended to be connected with a source of electric energy, such as a socket.

From that time on I gave the defendant orders for large quantities of these instruments which he made in accordance with my said conception, idea and invention and the modifications and improvements thereof, conceived by myself. In instructing the plaintiff from time to time in the method of manufacturing the various parts of the instrument and the insturment itself, it was necessary for me to disclose to him my original ideas and conceptions, the method of making the instrument and its parts, the use to which it could be put and the novelty of the various ideas and conceptions. For his work and for such materials as he furnished from time to time I paid the plaintiff.

Of course I did not know while negotiating and discussing [fol. 45] the instrument and its parts with the plaintiff, that he was either contemplating or actually engaged in making application to the Commissioner of Patents of the United States for letters patent to himself covering this invention, the instrument, its modifications and improvements.

In the record of his application for letters patent, plaintiff made his prime claim that the instrument was one "having a construction such that the roller can be easily removed and replaced upon said heating element." This is an attribute of my machine in all its various forms beginning with my first model and ending with the one now in use.

It was just about the middle of March, 1926, when the single roller instrument was completed in a form which I considered satisfactory for use. On March 24th, the defendant gave me a bill, again on his letterhead, for the labor performed on the various modifications, and it is as follows:

[fol. 46] "Telephone Jefferson 4245

Edward Becher, General Machine Work of All Kinds of Knitting Machines, also Plain Drive and Automatic Attachments Made, 1310A Myrtle Avenue, Brooklyn, N. Y.

March 24, 1925.

Dr. Oppenheimer Laboratory, 205 E. 44th Street, New York City, 70 Special M. H. Rollers Made for 35 Ozmosifier Irons

Labor 88½ hr.	$132 75
Aluminum 17 lb.	8 05
Brass 17 in.	4 85
Total	$145 65"

I have paid that bill in full.

I find from the records of Mr. Benjamin that I called at his office on March 27th, 1926, with respect to the application for letters patent on the single roller. This is the day on which without my knowledge, plaintiff filed his application for letters patent.

The situation was not then ripe for filing my own application for the following reason: It will be noted that the [fol. 47] frames on my instrument contain an opening in which there is a screw thread. This is intended to receive a cup containing the preparation to be applied to the skin by means of the roller. I was at that time experimenting with the kind of cup required and withheld the filing of the application until I had decided which cup to use. At various times I was considering a soft rubber cup, a metal cup and a hard rubber cup. Various forms of these cups were made for me by concerns who specialized in that work, the hard rubber cup being made by the New York Hard Rubber Turning Co., 212 Center Street, New York City, and the metal cups being made by Samuel H. Moss, 36 East 23rd Street, New York City. Finally I determined on the hard rubber cup and communicated that fact to Mr. Benjamin who was thereupon instructed to file application for letters patent in accordance with my prior request.

The papers upon this application were finally executed on June 8th, 1926, and filed by Mr. Benjamin on my behalf on June 26th, 1926. A copy of the petition, specification and oath is hereto annexed and marked Exhibit 2. Prior to filing this application, I never used or made public the single roller instrument.

From these copies it will be seen that the plaintiff knew nothing about this invention or its purpose, but merely copied what he had learned from me. The instrument for which he obtained letters patent is not so made as to allow the attachment of a cup containing the preparation to be [fol. 48] applied to the skin. In other words, the purpose of the instrument was so that the preparation could be so supplied to the instrument as not to require the use of the hands or fingers in the application to the skin. By my invention, the preparation is placed in the cup attached to the instrument and the preparation drips through on to the roller. The instrument for which letters patent were issued to the plaintiff omits this feature, a most important feature of the whole invention. Of course I did not disclose to the plaintiff that I proposed to have such a cup and to avoid the use of fingers in applying the preparation to the skin. For that reason it is apparent that the plaintiff did not know what he was about in copying my invention.

This distinction can readily be seen from the copies of the drawings hereto annexed. Those marked Exhibits 3 and 4 are the ones used for my application for letters patent covering the three roller instrument. The one marked Exhibit 5 was used by me on my application for letters patent covering the single roller. It will be seen that in both applications there is a provision for a chamber to contain the preparation to be applied to the skin. In the first instance, it is a box containing perforations through which the preparation passes. In the second, it is a cup containing an opening. In each instance the intention is that the preparation pass immediately on to the roller without the necessity of using the hands in the application.

[fol. 49] By June, 1926, the plaintiff modified the description of the business in which he was engaged. He gave me the following acceptance of an order for machines on a letterhead, as indicated below, and with the words stricken out as indicated. But he did not change his billheads.

"Telephone Jeffe[illegible]n 4245

Edward Becher, General Machine Work of All Kinds of [Knitting]* Machines, also [Plain Drive]* and Automatic Attachments Made, 1310A Myrtle Avenue, Brooklyn, N. Y.

June 2, 1926.

Dr. Herbert Oppenheimer, 205 West 44th Street, New York City:

Undersigned accepted from Dr. Oppenheimer an order of 200 massage rollers, as per sample, at price of $4.47 each. Agreement is made that Dr. Oppenheimer supplies those rollers with ebony wood handles 8 ft. wire, stop off block and connecting block, two metal cups and heating element. The rest of roller is to be made and completed by—

(Signed) Edward Becher."

[fol. 50] In the interim and even thereafter, the rollers were changed from time to time. After numerous ones were made by the defendant, I finally asked him to make two rollers for each machine so that they might be interchanged, one of them smooth with knurled parts and the other entirely knurled. I always paid him for the labor which he performed and either supplied him with the material or paid him for it.

In January, 1927, he apparently considered that he had advanced further for he gave me the following acceptance of order with the letterhead changed by striking out words as indicated:

"Telephone Jefferson 4245

Edward Becher, General Machine Work [of All Kinds of Knitting Machines, also Plain Drive and]* Automatic Attachments Made, 1310A Myrtle Avenue, Brooklyn, N. Y.

Jan. 3, 1927.

Contoure Laboratories, Inc., 6 West 48th Street, N. Y. C.

Dear Sirs: The new cost price of the Massage Roller will be, in the future, $8.90 which includes complete machine.

[*Erased in copy.]

[*Words enclosed in brackets erased in copy.]

[fol. 51] The following will be furnished by you as before: 2 preparation cups, heating element, ebony wood handle, wire and necessary plugs.

Machine will be completed by us at the price agreed upon.

Very truly yours, (Signed) Edward Becher."

The Court will note that plaintiff had nothing to do with making or furnishing the cup. He merely manufactured part of the instrument which was my own invention.

This evolution process of plaintiff's occupation was occasioned merely by the fact that I had been imparting to him the facts concerning the various modifications of my invention.

During all this period he kept secret his application for letters patent in his own name.

Of course since discovering the facts that the plaintiff had obtained letters patent, neither myself nor any other person associated with the defendants gave the plaintiff any orders. I then realized that the plaintiff had procured these letters patent upon an invention belonging to me and that it would be dangerous to give him further orders.

While the plaintiff had no experience whatsoever with instruments of this kind, I on the other hand had been engaged in making and using machines of a like nature for over twenty years. My business during all that period was chemicals and I was always concerned with making [fol. 52] machines with which the chemicals could be used.

From time to time during that period I was experimenting with various machines that could be used in connection with the application of chemical preparations.

The notion of having a single roller in place of the three which I had originally planned was merely the final outgrowth of a long series of experiments. My original model was soon found to be too burdensome for use, especially since it was necessary to instruct owners of small beauty parlors as to the manner in which the instruments should be used. I finally decided that instead of having the three-roller instrument for use upon all parts of the body, that it would be more practical to have a single roller and confine its use to applying preparations to the face.

Plaintiff's application for letters patent was a surreptitious and fraudulent act on the part of the plaintiff, in violation of his duty to your deponent and his agreement not

to use for his own benefit or to misuse or divulge the secrets and new ideas, conceptions and inventions of deponent.

In June, 1926, I became interested in the defendant, corporation, Contoure Laboratories, Inc., with certain third persons. I thereupon transferred to the defendant corporation my said inventions, improvements and modifications thereof and all my right, title and interest therein and thereto.

[fol. 53] Defendant corporation has been engaged in business since June, 1926, and its business consists solely of renting out these instruments and selling the preparations to be used in connection therewith.

That the defendant corporation has made substantial investment and incurred substantial liabilities in connection with its business. The investment in cash alone is $40,000 besides the value of various patent rights, formulas and the like.

The defendant corporation has spent about $20,000 on a publicity campaign and has obligated itself to an advertising consultant for $7,500 per year, and has contracted for advertising for $5,000. It is at present spending about $1,500 per month for advertising. In addition, it has outstanding approximately 1,000 instruments, and has many more in the process of manufacture.

An injunction would cause the defendants irreparable injury. On the other hand plaintiff has not done anything toward manufacturing, marketing or exploiting the instrument, he merely has the intention to do so. His only reason for that is because defendants ceased doing business with him in August, 1927, as hereinbefore set forth. A denial of an injunction would cause him no substantial injury.

Furthermore, there is now pending in the Patent Office an interference declared by the Commissioner of Patents between the patent issued to plaintiff in his own name and [fol. 54] application of defendant Oppenheimer filed June 26, 1926.

Wherefore deponent prays that the motion made herein be in all respects denied.

Herbert Oppenheimer.

Sworn to before me this 10th day of July, 1928.

Exhibit 1 to Affidavit of Herbert Oppenheimer

Petition

To the Commissioner of Patents:

Your Petitioner, Herbert Oppenheimer, a citizen of the United States of America, and residing at New York City, in the County and State of New York, and whose post-office address is 53 West 72nd Street, New York City, prays that Letters Patent may be granted to him for Method and Apparatus for Promoting Osmotic Absorption set forth in the annexed specification; and he hereby appoints George H. Benjamin, Registeree No. 594, of 25 West 43rd Street, New York City, attorney, with full power of substitution and revocation to prosecute this application to make alterations and amendments therein, to receive the patent, and to transact all business in the Patent Office connected therewith.

Inventor's full name: Herbert Oppenheimer.

[fol. 55] Specification

To all whom it may Concern:

Be It Known, That I, Herbert Oppenheimer, a citizen of the United States of America, and residing at New York City, in the County and State of New York, and whose post office address is 53 West 72nd Street, New York City, have invented a Method and Apparatus for Promoting Osmotic Absorption of which the following is a specification:

My invention relates to a method and apparatus for promoting osmotic absorption of medicinal preparations through the skin, into the blood and tissues. Osmotic absorption of medicinal preparations, as unusually practiced, consists in spreading the medicinal preparations on the surface of the skin, and then, through the hand, rubbing such preparations into the skin. As thus practiced, osmotic absorption is very slow and further, objectionable, as many of the medicinal preparations used tend to stain and soil the hands, and further, bring about osmotic absorption by the person making the application, and in the case where the application is made by a physician or a nurse, of different preparations, the effect upon such physician or nurse is frequently very unfortunate.

My invention, therefore, consists in a method and means by reason of which medicinal preparations may be applied [fol. 56] to the skin, and osmotic absorption materially increased without the disadvantages mentioned above.

The accompanying drawings will serve to illustrate one form of apparatus which may be employed. I wish it understood, however, that the form and details of construction of the apparatus may be materially modified, without departing from my invention.

In the drawings, Fig. 1 is a view in perspective showing the general relation of the parts.

Fig. 2 is a transverse vertical section taken on line 2-2 of Fig. 1.

Fig. 3 is a longitudinal horizontal section taken on line 3-3 of Fig. 2.

Fig. 4 is a vertical elevation and partial section of the receptacle for the medicinal preparation.

Fig. 5 is a perspective view of a distributing roller, with the parts partially separated.

In the drawings, 5 indicates the enclosing frame, open at the bottom, 6, and at the top 7. Mounted below the bottom of the frame are three rollers, 8, 9 and 10. The rollers, 8 and 9 are pivoted at each end in the links, 11, which links have formed in them at the upper end, slotted openings, 12, in which are located thumb screws, 13, the inner threaded ends of which are located in threaded openings in the ends of the frame. The purpose of this arrangement is to provide for vertical adjustment of the rollers, 8 and 9, relative to the bottom of the frame. It will be understood that the bottom of the rollers 8 and 9 may be in line, as shown in Fig. 1, or may project beyond the bottom of the roller, [fol. 57] 10, and thus the bottom of the rollers form a concave line, or alternatively, the bottom of the rollers 8 and 9 are adjusted, above the bottom of the roller, 10, and thus form a convex line.

The roller, 10, is also mounted in links, 14, attached to the ends of the frame, and held thereto by a thumb screw, 15. The roller, 10, may also be made adjustable to and from the frame, if desired.

Situated within the frame is a receptable, 16, for the medicinal preparation to be applied, See Fig. 4. The bottom of this receptacle is perforated, as shown at 17, to permit the medicinal preparation to be moved outward from

the bottom of the receptacle. The receptacle, 16, is provided with a cover, 18, which is adapted to be held in position by bails, 19, and pivoted at 20, and provided at the top with a set screw, 21. By shifting the bails to the position shown in dotted lines, Fig. 4, the cover may be removed. Located within the receptacle, and conforming to the shape of the receptacle is a presser plate, 22, which is adapted to be located over the medicinal preparation (indicated at 23, Fig. 2), and which has for its purpose to press the medicinal material out of the receptacle through the openings, 17, as desired. This is accomplished by means of an adjusting screw, 24, loosely secured to the presser plate and movable in a threaded sleeve, 25, secured in the cover, 18. Secured to the top of the sleeve, 25, is a hand screw, 26. By rotating the hand screw, and through it, the sleeve, the presser plate, 22, can be moved up or down in [fol. 58] the receptacle, 16, as desired.

Located on each side of the frame and above the rollers 8 and 9 are electric heating units, 27, see Fig. 3, which units are connected to a connecting receptacle, 28, on the upper part of one side of the frame, which connecting unit may be connected to any suitable plug, in turn connected to a source of electric energy, not shown. If desired, a resistance device, not shown, may be included in the attaching cord so as to modify the heating effects of the heating units, 27. These heating units are suitably insulated as shown at 29, from the frame, by asbestos or otherwise.

The roller, 10, may be solid or may be hollow, and where hollow, as shown in Fig. 5, may be in two parts, and connected by a screw device.

The purpose of making the roller, 10, hollow is to permit the introduction into the roller of a hot or cold body of any description, as may be required, to effect proper distribution of the material fed to this roller through the openings, 17, of the receptacle, 16. If the medicinal preparation which it is desired to use is visoid, it is often desirable to put a hot medium in the roller, 10, for instance, hot water. If, on the other hand, it is over fluid, it is often desirable to increase its viscidity by using a cold body in the roller, 10.

Pivotally connected to the top of the frame is a handle 30, and to hold this handle in the position shown in Fig. 1, a [fol. 59] pivoted latch, 31, is provided at each end. By turn-

ing these latches upward the handle is released and can then be carried into the position shown in dotted lines of Fig. 2.

The method of operating the apparatus described and promoting osmotic absorption is as follows: The rollers 8 and 9 are first adjusted in accordance with the surface to which the medicinal preparation is to be applied, if a flat surface, with the bottom of the rollers in line; if a convex or concave surface, with the bottoms arranged accordingly. The medicinal preparation is then introduced into the receptacle, 16, and finds its way through the opening, 17, into the surface of the roller, 10. The electric current is then turned into the heaters, 27. The heat generated is transmitted to the medicinal preparation, and also indirectly to the rollers 8 and 9, and through the rollers 8, 9 and 10, to the skin and tissues. The operator then takes the device in his two hands, his thumbs passing under the handle, 30, at the ends, and moves it over the surface to which the medicinal preparation is to be applied. The effect is first to distribute the medicinal preparation over the surface, and simultaneously to heat and to manipulate, by raising and lowering through the action of the rollers, the skin and integument below the skin. The roller, 10, effects an even distribution of the medicinal preparation, and by the heating and manipulation of the skin and integument, due to the movement of the device over the skin and tissues, attracts the blood of the body to the surface of the skin and [fol. 60] integument, and thus establishes a relation between the skin and the blood and fluids below the skin and the medicinal preparation on the outside of the skin, the skin being the osmotic membrane whereby the medicinal preparation is rapidly absorbed by the tissues and the blood, thereby immensely increasing not only the amount, but the rapidity of osmotic action, over that which is possible where the old method previously stated is employed.

My improved device may be constructed of any metal, preferably aluminum, or the frame may be of aluminum and the receptacle of glass, or other material which will not be affected by the medicinal preparations employed.

Having thus described my invention, I claim:

Claims

1. The method for promoting osmotic absorption described, which consists in applying to the skin a layer of a

medicinal preparation and simultaneously heating and manipulating the skin and tissue below the layer.

2. The method for promoting osmotic absorption described, which consists in applying to the skin a layer of a medicinal preparation and simultaneously heating and mechanically manipulating the skin and tissue below the layer.

3. The method for promoting osmotic absorption described, which consists in applying to the skin a heated [fol. 61] layer of a medicinal preparation and simultaneously heating and mechanically manipulating the skin and tissue below the layer.

4. An apparatus for the purpose described, comprising a frame, a plurality of rollers mounted below the frame, means for adjusting one or more of the rollers, relative to the frame and a receptacle for a medicinal preparation, having a perforated bottom located within the frame, over and in proximity to one of the rollers.

5. The combination of elements described in Claim 4, with the addition of means for heating the rollers, the receptacle and the medicinal preparation carried therein.

6. The combination of elements described in claim 5, with the addition of a cover for said receptacle and an adjustable presser plate within the receptacle.

7. The combination of elements set forth in claim 6, with the addition of a pivoted handle, and means for holding said handle in a vertical position, relative to the frame.

8. The combination of elements recited in claim 6, with a device on the exterior of the frame by which electrical connection may be made with a source of electric energy.

9. An apparatus for the purpose described, consisting of a frame, a plurality of rollers located below the frame, one of said rollers hollow and formed of two detachable sections.

[fol. 62] 10. In an apparatus of the class described, the combination of a receptacle for a fluid medicinal preparation, said receptacle having a perforated body, a roller mounted below the bottom of said receptacle, in relation

thereto, together with means for exerting pressure upon the medicinal preparation in the receptacle, whereby such preparation will be forced through the perforations, and progressively onto the surface of the roller mounted below the perforations.

In testimony whereof, I affixed my signature in the presence of two witnesses.

Herbert Oppenheimer.

Oath

City of New York,
County of New York,
State of New York, ss:

Herbert Oppenheimer, the above named petitioner, being duly sworn, deposes and says that he is a citizen of the United States of America, and resident of New York City; in the County of New York, State of New York; that he verily believes himself to be the original, first and sole inventor of the improvement in Method and Apparatus for Promoting Osmotic Absorption described and claimed in the annexed specification; that he does not know and does not believe that the same was ever known or used before his invention or discovery thereof, or patented or described [fol. 63] in any printed publication in any country before his invention or discovery thereof, or more than two years prior to this application, or in public use or on sale in the United States for more than two years prior to this application; that said invention has not been patented in any country foreign to the United States on an application filed by him or his legal representatives or assigns more than twelve months prior to this application; and that no application for patent on said improvement has been filed by him or his representatives or assigns in any country foreign to the United States.

Herbert Oppenheimer.

Sworn to and subscribed before me, this tenth day of December, 1925. K. L. Sullivan.

EXHIBIT 2 TO AFFIDAVIT OF HERBERT OPPENHEIMER

Petition

To the Commissioner of Patents:

Your Petitioner, Herbert Oppenheimer, a citizen of the United States of America, and residing at New York City, in the County and State of New York, and whose post-office address is 53 West 72nd Street, New York City, pray that Letters Patent may be granted to him for Method and Apparatus for Promoting Osmotic Absorption set forth in [fol. 64] the annexed specification; and he hereby appoints George H. Benjamin, Registered No. 594, of 25 West 43rd Street, New York City, attorney, with full power of substitution and revocation to prosecute this application, to make alterations and amendments therein, to receive the patent, and to transact all business in the Patent Office connected therewith.

Inventor's full name: Herbert Oppenheimer.

Specification

To all whom it may concern:

Be it known, that I, Herbert Oppenheimer, a citizen of the United States of America, and residing at New York City, in the County and State of New York, and whose post office address is 53 West 72nd Street, New York City, have invented a Method and Apparatus for Promoting Osmotic Absorption of which the following is a specification:

My invention relates to a method and apparatus for promoting osmotic absorption of medicinal preparations through the skin into the blood and tissues. Osmotic absorption of medicinal preparations, as usually practiced, consists in spreading the medicinal preparations on the surface of the skin, and then, through the hand, or by means of a roller, rubbing such preparations into the skin.

As thus practiced, osmotic absorption is very slow, and [fol. 65] further, objectionable, as many of the medicinal preparations used tend to stain and soil the hands, and further, bring about osmotic absorption by the person making the application, and in the case where the application is

made by a physician or nurse, of different preparations, the effect upon such physician or nurse is frequently very unfortunate.

My invention, therefore, consists in a method and means by reason of which medicinal preparations may be applied to the skin, and osmotic absorption materially increased, without the disadvantages mentioned above.

The accompanying drawings will serve to illustrate one form of apparatus which may be employed. I wish it understood, however, that the form and details of construction of the apparatus may be materially modified, without departing from my invention.

In the drawings: Fig. 1 is a view in perspective of my improved apparatus, the view being broken away to show an internal heating tube, and also showing in dotted lines at the left, the mechanism employed, by reason of which the roller may be removed for cleaning or otherwise.

Fig. 2 is a vertical section taken on line x-x of Fig. 1.

Fig. 3 is a longitudinal section taken on line y-y of Fig. 1.

In the drawings: 5 indicates a handle which is connected at its right hand end to a tubular heating unit, 6. 7 is an electric conductor connected at its terminals to the con- [fol. 66] ductors 8-9 of the resistance wire, 10, of the heating unit. 11 indicates a roller which is supported on the outside of the heating unit, 6, and which is free to revolve thereon. Supported upon the heating unit, 6, at the right hand end, and over the roller, 11, is a frame, 12. Pivotally connected to the left hand end of the heating unit, is a bracket, 13, the right hand end of which overlaps the top of the frame, 12, and may be secured thereto by the screw 14. Mounted on top of the frame, 12, in any suitable manner is a reservoir, 15, adapted to contain the medicinal preparation, 16, which is to be applied through the apparatus. The orifice, 17, at the lower portion of this reservoir is controlled by a needle valve, 18, which may be actuated by the screws 19 to control the delivery and flow of the medicinal preparation to the surface of the roller, 11. Located within the reservoir, 15, is a heating unit, 20, which has for its purpose to heat the medicinal preparation when desired. This heating unit is connected through the terminals 21-22 to the conductors leading through 7 to the source of electric energy.

The operation of my improved device will be readily understood. The medicinal preparation to be applied is introduced into the reservoir, and heated if desired. From the reservoir, it is fed upon the outer surface of the roller, 11, which roller is heated if desired, through the instrumentality of the heating unit, 6. Movement of the roller, 11, by hand or otherwise across the part to which the [fol. 67] medicinal preparation is to be applied insures a practically even distribution of the medicinal preparation over the part and its rapid osmotic absorption without involving the objections previously recited.

Having thus described my invention, I claim:

1. The method of promoting osmotic absorption which consists in progressively applying to the skin a layer of a medicinal preparation and simultaneously heating and manipulating the skin and tissue below the layer.

2. The method of promoting osmotic absorption which consists in progressively applying to the skin a heated layer of medicinal preparation and simultaneously heating and mechanically manipulating the skin and tissue below the layer.

3. An apparatus for the purpose described, comprising a handle, a heating unit, a roller mounted to revolve on the heating unit, a frame and a reservoir for a medicinal preparation mounted on the frame and over the roller.

4. The combination of the elements described in claim 3, with the addition of means for heating separately the medicinal preparation to be applied, and the roller for making the application.

5. The combination of elements described in claim 3, [fol. 68] wherein the frame is adjustable to permit removal of the roller.

In Testimony Whereof, I affix my signature, in the presence of two witnesses.

HERBERT OPPENHEIMER.

Oath

City of New York,
County of New York,
State of New York, ss:

Herbert Oppenheimer, above named petitioner, being duly sworn, deposes and says that he is a citizen of the United States of America, and resident of New York City; in the County of New York, State of New York; that he verily believes himself the original, first and sole inventor of the improvement in Method and Apparatus for Promoting Osmotic Absorption described and claimed in the annexed specification; that he does not know and does not believe that the same was ever known or used before his invention or discovery thereof, or patented or described in any printed publication in any country before his invention or discovery thereof, or more than two years prior to this application, or in public use or on sale in the United States for more than two years prior to this application; that said invention has not been patented in any country foreign to the United States on an application filed by him or his legal representatives or assigns more than twelve months prior [fol. 69] to this application; and that no application for patent on said improvement has been filed by him or his representatives or assigns in any country foreign to the United States.

HERBERT OPPENHEIMER.

Sworn to and subscribed before me this 8th day of June, 1926. Walter F. O'Donnell.

Exhibit 3

Drawing of Oppenheimer patent application filed December 18, 1925.

Exhibit 4

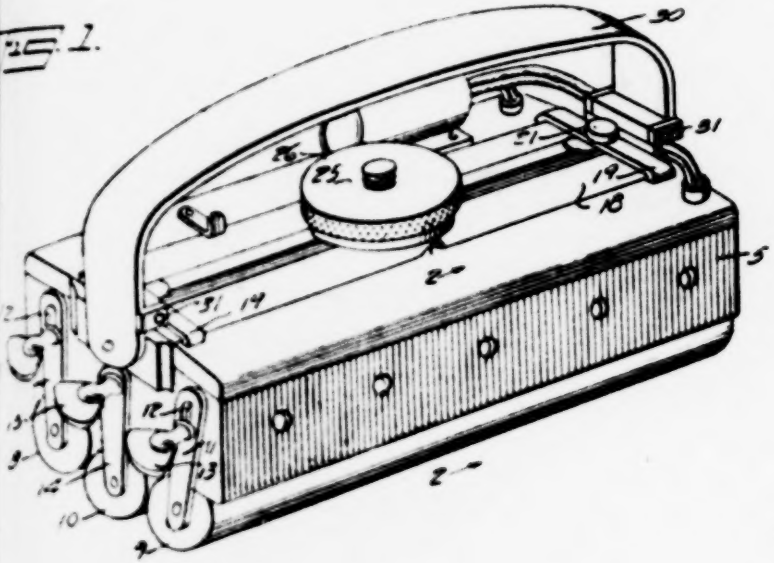
Drawing of Oppenheimer patent application filed December 18, 1925.

(Here follow Exhibits 3 and 4, marked side folio pages 69a and 69b)

EXHIBIT 3

69A

FIG. 1.



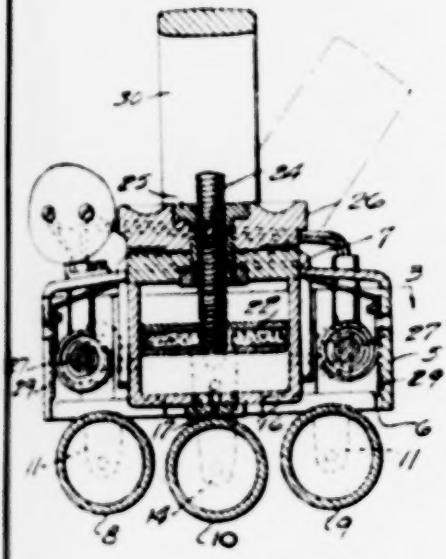
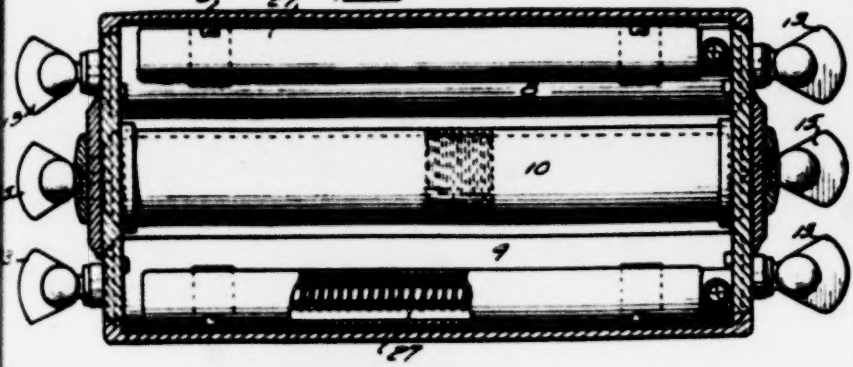


FIG. 2.

INVENTOR
Herbert Oppenheimer

FIG. 3.



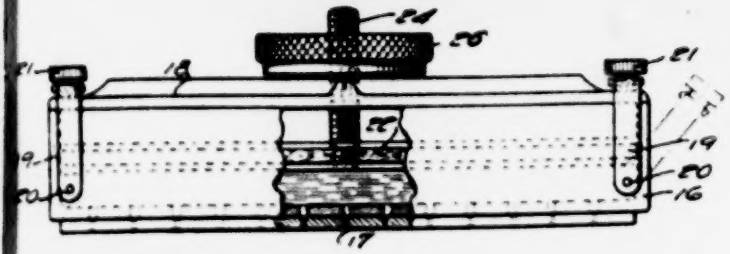


FIG. 4.

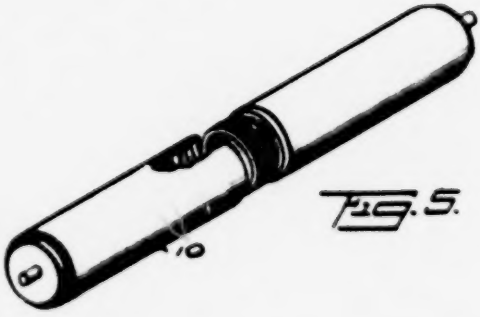


FIG. 5.

STATEMENT RE EXHIBIT 7 TO AFFIDAVIT OF HERBERT OPPENHEIMER

Exhibit 5 drawing, is the same as plaintiff's Exhibit 5 attached to the Becher affidavit above. See rec., p. 27.

[fol. 70] IN UNITED STATES DISTRICT COURT

ANSWER FILED JULY 11, 1928

Now come the Defendants, and for their answer to the bill of complaint allege:

1. They deny each and every allegation contained in paragraphs thereof marked 1, 4 and 7.

2. They deny that they have knowledge or information thereof sufficient to form a belief as to each and every allegation contained in paragraph thereof marked 2.

3. They deny each and every allegation contained in paragraph thereof marked 5, except that they admit that plaintiff made application to the Commissioner of Patents of the United States on March 27th, 1926, and that on July 5th, 1927, letters patent of the United States numbered 1,634,316 were issued to the plaintiff.

4. They deny each and every allegation contained in paragraph thereof marked 6, except that they admit that plaintiff manufactured certain heating rollers at their request.

5. They deny each and every allegation contained in paragraph thereof marked 8, except that they admit that they have sold, used and otherwise disposed of massaging irons embodying some of the elements referred to in said letters patent.

6. They deny each and every allegation contained in paragraphs thereof marked 9 and 11, except as hereinafter admitted.

7. They deny each and every allegation contained in paragraph thereof marked 10, except that they admit that a cer-

[fol. 71] tain interference is pending in the United States Patent Office between plaintiff and defendant Oppenheimer.

For a Separate Defense, Defendants Alleg:

8. That on or about the 23rd day of September, 1927, the defendants herein as plaintiffs commenced an action in the Supreme Court of the State of New York, Kings County, against the plaintiff herein as defendant, by service of a summons upon said defendant therein within the State of New York. That a copy of said summons is hereto annexed and marked Exhibit A.

9. That together with said summons, said plaintiffs therein served upon the defendant therein a complaint copy of which is hereto annexed and marked Exhibit B.

10. That together with said summons and complaint, plaintiffs therein served upon the defendant therein a notice of motion and affidavits upon an application by the plaintiffs therein for an order restraining and enjoining the defendant therein from exercising any rights under the letters patent bearing No. 1,634,316 referred to in the complaint herein, and from using, manufacturing, selling, hiring out or otherwise distributing or disposing of the instruments or any parts or modifications thereof; from transferring, assigning, granting any rights, licenses or privileges under said letters patent, or to such instrument or instruments [fol. 72] or parts or modifications thereof, and for other relief.

11. That thereafter and on September 28th, 1927, the defendant therein by his attorneys, Edwards & Henry, served notice of general appearance in said action.

12. That on the 29th day of September, 1927, the defendant therein served notice of motion for an order dismissing the complaint therein on the ground that it appeared on the face of the complaint (1) that the Supreme Court of the State of New York did not have jurisdiction of the subject of the action, and (2) that the complaint did not state facts sufficient to constitute a cause of action.

13. That said two motions came on to be heard together at a Special Term, Part I of the Supreme Court, Kings County, before Mr. Justice William B. Carswell.

14. That in opposition to the motion of the plaintiffs therein for an injunction, the defendant therein submitted an affidavit setting forth the facts asserted by the defendant on the merits of said action.

15. That after hearing said two motions, the Supreme Court of the State of New York, Kings County, by Mr. Justice William B. Carswell, rendered a decision in writing, a copy of which is hereto annexed and marked Exhibit C.

16. That thereafter an order was entered on October 21st, 1927, upon said two motions by the Supreme Court of the State of New York, Kings County, copy of which is [fol. 73] hereto annexed and marked Exhibit D.

17. That thereafter and on October 22nd, 1927, the defendant therein duly served his answer, a copy of which is hereto annexed and marked Exhibit E.

18. That thereafter and on the 2nd day of November, 1927, the defendant therein served notice of motion and affidavit and reargument of the two motions above referred to. That said motion for reargument came on to be heard at a Special Term, Part I of the Supreme Court of the State of New York, Kings County and was duly referred to Mr. Justice William B. Carswell.

19. That it is the custom of said Supreme Court of the State of New York to refer all motions for reargument to the Justice before whom the original hearing was had.

20. That after hearing the application for reargument, said Supreme Court, by Mr. Justice William B. Carswell, made a written decision, a copy of which is hereto annexed and marked Exhibit F.

21. That an order was thereafter and on November 16th, 1927, made by said Court denying said motion for reargument.

22. That the defendant therein had the right to appeal from said orders and each of them to the Appellate Division of the Supreme Court of the State of New York, Second Department, but failed to take such appeal from either or- [fol. 74] der, although the time to do so has long ago expired.

23. That thereafter each, the plaintiffs and the defendant therein, served due notice of trial in said action returnable at the November, 1927, term of Special Term, Part III of the Supreme Court of the State of New York, Kings County.

24. That thereafter and on December 2nd, 1927, the defendant therein served an amended and supplemental answer, copy of which is hereto annexed and marked Exhibit G.

25. That thereafter and on December 19th, 1927, an order was made on said action upon consent of all parties, referring the issues therein to Hon. Russell Benedict, Official Referee, to hear and determine, a copy of which order is hereto annexed and marked Exhibit H.

26. That thereafter said issue was duly noticed for trial before Hon. Russell Benedict, said Official Referee.

27. That said issue was thereafter duly tried before said Official Referee on February 16th, March 8th and June 7th, 1928.

28. That thereafter said Official Referee duly made a decision in writing, a copy of which is hereto annexed and marked Exhibit J, and which said decision was entered in the office of the Clerk of Kings County on July 3rd, 1928.

29. That thereafter and on the 5th day of July, 1928, judgment was duly entered in said action in the office of the Clerk of Kings County, copy of which is hereto annexed and [fol. 75] marked Exhibit K.

30. That in accordance with the laws in such cases made and provided, the defendant therein has an appeal as a matter of right from said judgment to the Appellate Division of the Supreme Court, Second Judicial Department.

For a second separate defense, the defendants allege:

31. That in and prior to the month of December, 1925, the plaintiff was engaged in the business of general repairs of Links and Links knitting machines.

32. That for a long time prior to December 18th, 1925, defendant Oppenheimer was engaged in inventing a massage machine.

33. That on the 18th day of December, 1925, said Oppenheimer filed in the office of the Commissioner of Patents at Washington, D. C., application for patent under Serial Number 76276 executed December 10th, 1925, for a massage machine.

34. That on or about the 18th day of December, 1925, said Oppenheimer engaged the plaintiff as a machinist to make certain mechanical parts of said machine for which said Oppenheimer agreed to pay plaintiff.

35. That at the time of and prior to said engagement of plaintiff by Oppenheimer, the latter informed plaintiff that he had then pending an application for patent upon [fol. 76] said massage machine.

36. That at the time of engaging plaintiff as a machinist, defendant Oppenheimer and plaintiff agreed that as such machinist, plaintiff would from time to time do certain work for said Oppenheimer under the instructions and directions of Oppenheimer both in duplication of the machine already made by Oppenheimer, for which application for patent was already pending and for improvements and modifications thereof in accordance with his said instructions and directions, for which Oppenheimer agreed to pay plaintiff, and said parties further agreed that plaintiff would keep secret and confidential such information and knowledge as he would obtain from Oppenheimer in the course of said instructions and directions and in the course of services rendered and work done by plaintiff as machinist in that connection, and that plaintiff would not use the same for his benefit or for the benefit of any one than said Oppenheimer.

37. That thereafter and from time to time Oppenheimer modified and improved said machine and invention and engaged plaintiff to make various mechanical parts of said machine and invention as modified and improved.

38. That thereafter Oppenheimer conceived a modification and improvement of said invention to the extent of placing certain brass rods containing heating elements inside certain aluminum rollers instead of on top thereof and

[fol. 77] inserting small separate end pieces in said rollers on which said brass rods should rest.

39. That thereafter and in or about the month of January, 1926, defendant Oppenheimer conceived and invented an improved massage machine hereinafter referred to and more particularly described.

40. That thereafter and in or about the months of January and February, 1926, Oppenheimer further engaged plaintiff and plaintiff agreed to do certain work for said Oppenheimer under his instructions and directions, in the making of models to be used in application by Oppenheimer for letters patent upon said improved massage machine, for which said Oppenheimer agreed to pay plaintiff, and plaintiff agreed to keep secret and confidential such information and knowledge as he would obtain from said Oppenheimer in the course of such instructions and directions and in the course of the services rendered and work done by the plaintiff as a machinist, and not to use the same for his own benefit or for the benefit of any one other than Oppenheimer.

41. That in or about the month of February, 1926, Oppenheimer engaged an attorney to file application on his behalf for letters patent upon said improved massage machine, which said application was thereafter and on June 26th, 1926, filed in the office of the Commissioner of Patents at Washington, D. C., under Serial No. 118637.

42. That at the time of originally engaging defendant to [fol. 78] do said work and from time to time thereafter, Oppenheimer relying upon the agreements aforesaid, necessarily disclosed to plaintiff his said inventions massage machine and improved massage machine, and the modifications and improvements thereof, his ideas originating the same, the manner of making the same, the novelty thereof and of all its various parts, the use to which the same might be put, the commercial value thereof, the various methods of manufacturing the same and combining the elements of novelty thereof.

43. That in or about the month of February, 1926, said Oppenheimer, relying upon the agreements aforesaid, necessarily disclosed to defendant in order to enable him at

the request of said Oppenheimer to make models and to manufacture certain parts thereof, said improved massage machine conceived by said Oppenheimer, which consisted of a heating element composed of asbestos and wire, enclosed in a brass tube, the whole thereof enclosed in an aluminum roller which rotated around the brass tube, itself stationary, and resting on two extra pieces of metal inserted in the ends of said roller, and connected or attached to a wooden handle with a metal frame or top bar over the roller, the heating element in the brass tube being connected with a wire running through the wooden handle intended to be connected with a source of electric energy, such as a socket.

44. That thereafter and under the instruction and direction of Oppenheimer, plaintiff made large quantities of said machines, all in accordance with the conception, ideas [fol. 79] and invention of said Oppenheimer.

45. That without the knowledge or consent of the defendants or either of them and in or about the month of March, 1926, while he was thus engaged in making massage instruments and mechanical parts for said Oppenheimer and after ascertaining from said Oppenheimer the ideas, facts and information above set forth and all the facts concerning the said invention and machines of Oppenheimer and the modifications and improvements thereof, plaintiff appropriated to his own use said ideas, said invention, machines and modifications and improvements thereof, and in violation of his agreement aforesaid and of the confidential relation between the parties, made application to the Commissioner of Patents of the United States in his own name for letters patent on said improved machine, by application known as Serial No. 97862.

46. That on or about the 27th day of March, 1926, plaintiff filed in the United States Patent Office a petition, specification, claims and oath under said application for letters patent bearing Serial No. 97862, which application was granted and letters patent issued to said plaintiff on or about July 5th, 1927, bearing No. 1,634,316.

47. That in said petition, specification, claims and oath the plaintiff falsely stated that he had invented said instrument; that he was the original, first and sole inventor

thereof; that he did not know and did believe that the [fol. 80] same was ever known or used before his alleged invention or discovery thereof.

48. That said statements were false and untrue in that the plaintiff had misappropriated the knowledge obtained by him from said Oppenheimer during the course of his employment as machinist; that he had not invented said instrument; that he was neither the original nor the sole inventor thereof; that he knew and believed that the same was known and used before his alleged invention or discovery thereof, namely, by the said Oppenheimer, who to the knowledge of the plaintiff was the inventor thereof, and that plaintiff knew that all of his said statements were false and untrue.

49. That the letters patent thus applied for by the plaintiff and issued to him were for a machine consisting of a heating element composed of asbestos and wire, enclosed in a brass tube, the whole thereof enclosed in an aluminum roller which rotated around the brass tube, itself stationary, and resting on two extra pieces of metal inserted in the end of said roller, and connected or attached to a wooden handle with a metal frame or top bar over the roller, the heating element in the brass tube being connected with a wire running through the wooden handle intended to be connected with a source of electric energy such as a socket.

50. That until on or about the 15th day of August, 1927, neither the defendants nor either of them had any knowledge either of said application by the plaintiff for said letters patent or of the issuance of said letters patent to the plaintiff.

[fol. 81] 51. That without such knowledge and until the discovery by the defendants of the existence of said application for and issuance of said letters patent, they continued to procure the plaintiff to manufacture for them the machines invented by said Oppenheimer.

52. That on or about the 23rd day of June, 1927, said Oppenheimer duly assigned, transferred and set over unto the defendant Contoure Laboratories, Inc., herein, all his right, title and interest in and to said instruments men-

tioned and modifications and improvements thereof, and the sole and exclusive right thereto and all letters patent then or thereafter issued thereon.

53. That immediately upon discovering the existence of said application for and the issuance to the plaintiff of said letters patent, defendants demanded that the plaintiff discontinue making any machines pursuant to the letters patent issued to the plaintiff, or similar thereto, or modifications or improvements thereof, and demanded that the plaintiff transfer, set over and assign to said Oppenheimer all his right, title and interest in and to said letters patent issued in the name of the plaintiff, which the plaintiff refused to do.

54. The defendants have established a substantial trade in the instruments above described in connection with the use of certain preparations and are daily engaged in selling large quantities of preparations and hiring out instruments for use in connection therewith, and have invested large sums of money in the use and distribution thereof.

[fol. 82] For a third separate defense, defendants allege:

55. That there is now pending and undetermined in the United States Patent Office an interference declared between the patent referred to in the bill of complaint herein issued to the plaintiff and an application for patent made by defendant Oppenheimer.

Wherefore, defendants demand judgment dismissing the bill of complaint herein, together with the costs of this action.

Moers & Rosenschein, Attorneys for Defendants, 280 Madison Avenue, New York City.

Duly sworn to by Herbert Oppenheimer. Jurat omitted in printing.

[fol. 83] EXHIBIT A TO ANSWER

SUPREME COURT OF THE STATE OF NEW YORK, KINGS COUNTY

File #23237/27

CONTOURE LABORATORIES, INC., and HERBERT OPPENHEIMER,
Plaintiffs,

against

EDWARD BECHER, Defendant

State Court Case No. 23237/27. Summons Dated September 22, 1927

To the above named defendant:

You Are Hereby Summoned to answer the complaint in this action, and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance, on the Plaintiff's Attorney within 20 days after the service of this summons, exclusive of the day of service; and in case of your failure to appear, or answer, judgment will be taken against you by default, for the relief demanded in the complaint.

Dated New York, Sept. 22, 1927.

Moers & Rosenschein, Attorneys for Plaintiffs. Office and Post Office address: No. 280 Madison Avenue, Manhattan, New York City.

STATEMENT RE EXHIBIT B TO ANSWER

State Court Case No. 23237/27. Dated September 22, 1927. Printed as Plaintiff's Exhibit 3. Rec., p. 17.

[fol. 84] EXHIBIT C TO ANSWER

Opinion rendered by Mr. Justice Carswell on original motion by plaintiffs for injunction pendente lite and by defendant to dismiss complaint (Law Journal 10/15/27) State Court case No. 23237/27

Contoure Laboratories, Inc., et al. v. Becher—Plaintiffs have moved for a temporary injunction, and the defend-

ants have moved to dismiss the complaint upon the grounds that the court has no jurisdiction of the subject of the action and that the complaint does not state a cause of action. The court has jurisdiction of this action (Lawton v. Ruthrauff & Ryan, Inc., 219 A. D. 267; Underhill v. Schenck, 238 N. Y. 7; Air Reduction Co., Inc., v. Walker, 118 Misc. 827; By-Products Recovery Co. v. Maybee, 288 Fed. 401; New Marshall Co. v. Marshall Engine Co., 223 U. S. 473). The case of Cheatham Electric Switching Device Co. v. Kentucky Switch & Signal Co. (213 Kentucky 23) is not to the contrary. In that case, at pp. 27 and 28, it appears that the plaintiffs' petition determined the character of the whole proceeding so far as jurisdiction was concerned, even though the counterclaim might have been subject to a different view if it could be considered freed from the effect of the petition upon the question of jurisdiction. The complaint herein is sufficient and the affidavits present a situation that requires a maintenance of the status quo pending a trial. This can only be accomplished by granting the injunction restraining the defendants, upon [fol. 85] the furnishing of a bond, the amount of which each side may submit a memorandum on limited to that question. Motion for injunction granted. Motion to dismiss the complaint or decline jurisdiction is denied.

EXHIBIT D TO ANSWER

Order of Justice Carswell, Dated October 21, 1927

State Court Case No. 23237/27

Motions made by the respective parties, namely, one by the plaintiffs for an injunction pendente lite, and the other by the defendant for an order dismissing the complaint herein on the ground that it appears on the face of the complaint that this Court has not jurisdiction of the subject of the action and that the complaint does not state facts sufficient to constitute a cause of action, made returnable October 4th, 1927, and having duly come on to be heard on October 7th, 1928,

Now, after reading the notice of motion dated September 22nd, 1927, the affidavit of Herbert Oppenheimer sworn to September 22nd, 1927, and Exhibit A thereto annexed, the affidavit of Edward Becher, sworn to September 28th, 1927, and Exhibit C annexed thereto, the affidavit of Herbert Oppenheimer, sworn to October 5th, 1927, and Exhibits 1, 2, 3, 4 and 5 thereto annexed, the affidavit of Milton K. Breslauer, sworn to October 5th, 1927, the summons and complaint herein, and upon Plaintiffs' Exhibits X, X1, X2, [fol. 86] X3, X4, Y and Z, and Defendant's Exhibits A and B, and the notice of motion dated September 29th, 1927, and after hearing Charles S. Rosenschein, Esq., of counsel for the plaintiffs in support of said motion for an injunction and in opposition to said motion to dismiss the complaint, and O. Ellery Edwards, Esq., as counsel for defendant, in opposition to said motion for injunction and in support of said motion to dismiss the complaint, and due deliberation having been had thereon, now upon filing the opinion of the Court, it is

Ordered that said motion for an injunction pendente lite be, and it hereby is granted; and it is further

Ordered that said motion to dismiss the complaint be, and it hereby is denied; and it is further

Ordered that the time of the defendant to answer the complaint herein be, and it hereby is extended to and including the 22nd day of October, 1927, and it is further

Ordered that the plaintiffs shall notice this case for trial for the November, 1927, Term at Special Term, Part III and be ready when said case is reached, and that the defendant may at his election serve an amended answer as of course at any time before the opening of the November, 1927, Term, without prejudice to the position of the case on the calendar or the necessity for a new notice of trial or a new note of issue and without costs; and it is further

Ordered that upon plaintiffs' filing in the office of the Clerk of Kings County an undertaking with sufficient sure[fol. 87] ties to the effect that the plaintiffs will pay to the defendant, such damages not exceeding the sum of $5,000 as defendant may sustain by reason of the injunction contained in this order, if the Court finally decides that the plaintiffs were not entitled thereto and that neither of the

plaintiffs was entitled thereto, the defendant and his agents and his servants be and they hereby are enjoined and restrained until the further order of this Court, from exercising any rights under the letters patent bearing No. 1634316 issued to the defendant by the United States Patent Office; from using, manufacturing, selling, hiring out or otherwise distributing or disposing of the instruments described in said letters patent or any similar instruments or any parts or modifications thereof; from transferring, assigning or granting any rights, licenses or privileges under said letters patent, or to such instruments or any similar instruments or parts or modifications thereof.

Enter:

Wm. B. Carswell, J. S. B.

Granted Oct. 21, 1927. Wm. E. Kelly, Clerk.

[fol. 88] EXHIBIT E TO ANSWER

Answer State Court Case 23237/27, Dated September 28, 1927

Defendant for his answer to plaintiffs' complaint herein alleges:

First. He denies the allegations in paragraphs designated 1, 4, 5, 6, 7, 8, 9, 11, 12, 16, 17 and 20 of plaintiffs' complaint contained.

Second. He denies any knowledge or information sufficient to form a belief as to the allegations in paragraphs designated 3, 14, 15 and 18 of plaintiffs' complaint contained.

Third. He admits the allegations in paragraph designated 19 of plaintiff's complaint contained except that he denies that part thereof which reads "to the irreparable injury of the plaintiff and said Oppenheimer."

For a Separate and Complete Defense

That this Court has not jurisdiction of the subject matter of the plaintiffs' complaint.

Wherefore defendant demands judgment dismissing plaintiffs' complaint and awarding defendant the costs and disbursements of this action.

Edwards & Henry, Attorneys for Defendant, 233 Broadway, New York City.

[fol. 89] State of New York,
County of New York, ss:

Edward Becher, being duly sworn, says that he is the defendant in the above entitled action; that he has read the foregoing answer and knows the contents thereof; that the same is true of his own knowledge except as to the matters therein stated to be alleged upon information and belief and that as to those matters he believes it to be true.

Edward Becher.

Sworn to before me this 28th day of September, 1927. Floyd M. Sheffield, Notary Public, Nassau County. N. Y. Co. Clerk 981, Register 9728. Queens Co. Clerk 2501, Register 4840. Commission expires March 30, 1929.

Exhibit F to Answer

Opinion Rendered by Mr. Justice Carswell on Reargument (Law Journal Nov. 15, 1927)

State Court Case No. 23237/27

Contoure Laboratories, Inc., and Ano.

v.

Becher

Motion for Reargument

The question of jurisdiction is to be determined from the complaint. New affidavits do not change that pleading, and therefore they present no new question upon the proposed reargument. The state court has jurisdiction to de-
[fol. 90] termine the question of whether or not Becher

breached any duty owing by him to the plaintiff, and if he did, whether or not the patent he obtained is the fruit of that breach and as such properly to be subjected by a decree of this court to the equitable rights arising therein in plaintiffs' favor by way of impressing them upon defendant's legal title to or in the patent issued in his name. The primary question is whether or not the defendant breached any duty owing to the plaintiff. If he did not, the state action fails; if he did, the next question is whether or not the Becher patent is the fruit of that breach. The question of originality may be, but not necessarily, involved. If this court determines that such a breach of duty occurred and that the Becher patent entirely belongs to the plaintiff in equity, the question of originality never arises. The remote possibility (not now apparent) that the facts may present an obstacle to the taking or exercising of jurisdiction does not require a holding that the complaint presents any such difficulty. Motion denied.

STATEMENT RE EXHIBIT G TO ANSWER

Amended and Supplemental Answer in State Court Action

Same as Exhibit 4, Rec., p. 24.

[fol. 91] EXHIBIT H TO ANSWER

Order of Judge Lewis in the State Court, Case No. 23237/27, Filed Dec. 19th, 1927

Upon the annexed stipulation, it is

Ordered that the issues in the above entitled action be and they hereby are referred to Hon. Russell Benedict, Official Referee, to hear and determine and that he make and file his report herein with all convenient speed.

Enter:

Harry E. Lewis, J. S. C.

EXHIBIT J TO ANSWER

Decision of Official Referee in the State Court Case No. 23237/27, Dated June 29, 1928

The issues in the above entitled action having been referred to me as Official Referee, to hear and determine by order made by Hon. Harry E. Lewis, one of the Justices of the Supreme Court of the State of New York, which order was dated December 19th, 1927, and was entered in the office of the Clerk of Kings County on December 19th, 1927, and said issues having been duly noticed for trial, and the isues having been tried on the 16th day of February, 1928, the 8th day of March, 1928, and the 7th day of June, [fol. 92] 1928, and after hearing all of the evidence adduced by the respective parties, I do find and decide as follows:

Findings of Fact

1. That at all times hereinafter mentioned, plaintiff Contoure Laboratories, Inc., was and now is a domestic corporation.

2. That in and prior to the month of December, 1925, the defendant was engaged in the business of general repairs of Links and Links knitting machines.

3. That prior to the year 1926, defendant had never made any massage machine or any drawing, sketch, model or sample of any massage machine or any part thereof.

4. That for a long time prior to December 18th, 1925, plaintiff Oppenheimer was engaged in inventing a massage machine.

5. That on the 18th day of December, 1925, plaintiff Oppenheimer filed in the office of the Commissioner of Patents at Washington, D. C., application for patent under Serial No. 76276 executed December 10th, 1925, copy of which was received in evidence as plaintiff's Exhibit 5.

6. That thereafter, in or about the month of December, 1925, plaintiff Oppenheimer engaged the defendant as a ma- [fol. 93] chinist to make certain mechanical parts of said machine, for which plaintiff Oppenheimer agreed to pay defendant.

7. That at the time of and prior to said engagement of the defendant by plaintiff, Oppenheimer, the latter informed the defendant that he had then pending an application for patent upon said massage machine.

8. That at the time of engaging the defendant as a machinist, said plaintiff Oppenheimer and the defendant agreed that the defendant as such machinist would from time to time do certain work for said plaintiff Oppenheimer, under the instructions and directions of said plaintiff Oppenheimer, both in duplication of the machine already made by plaintiff Oppenheimer, for which application for patent was already pending, and for improvements and modifications thereof in accordance with his said instructions and directions, for which said plaintiff agreed to pay defendant, and said parties further agreed that defendant would keep secret and confidential such information and knowledge as he would obtain from said plaintiff in the course of said instructions and directions by said plaintiff, and in the course of the services rendered and work done by the defendant as a machinist in that connection, and that defendant would not use the same for his own benefit or for the benefit of any one other than plaintiff Oppenheimer.

9. That thereafter and from time to time, said plaintiff Oppenheimer modified and improved the said machine and invention and engaged the defendant to make various mechanical parts of said machine and invention, as modified and improved.

10. That thereafter plaintiff Oppenheimer conceived a [fol. 94] modification and improvement to his said invention to the extent of placing the brass rods containing the heating elements inside the aluminum rollers instead of on top thereof, and inserting small separate end pieces in said rollers on which said brass rod should rest.

11. That thereafter and in or about the month of January, 1926, plaintiff Oppenheimer instructed and directed the defendant to change such of the duplicates of the machine so invented by him as defendant had manufactured, so that the position of the brass rod would be changed in accordance with the conception, modification and improvement of the plaintiff Oppenheimer aforesaid.

12. That thereafter and in or about the month of January, 1926, plaintiff Oppenheimer conceived and invented an improved massage machine hereinafter referred to and more particularly described.

13. That thereafter and in or about the months of January and February, 1926, plaintiff Oppenheimer further engaged defendant and defendant agreed to do certain work for said plaintiff under his instructions and directions, in the making of models to be used in application by plaintiff Oppenheimer for letters patent upon said improved massage machine, for which said plaintiff agreed to pay defendant, and defendant agreed to keep secret and confidential such information and knowedge as he would obtain [fol. 95] from said plaintiff in the course of such instructions and directions and in the course of the services rendered and work done by the defendant as a machinist, and not to use the same for his own benefit or for the benefit of any one other than plaintiff Oppenheimer.

14. That in or about the month of February, 1926, plaintiff Oppenheimer engaged an attorney to file application on his behalf for letters patent upon said improved massage machine, which said application was thereafter and on June 26th, 1926, filed in the office of the Commissioner of Patents at Washington, D. C., under Serial No. 118637, copy of which was received in evidence as plaintiff's Exhibit 21.

15. That at the time of originally engaging defendant to do said work and from time to time thereafter, plaintiff Oppenheimer relying upon the agreements aforesaid, necessarily disclosed to defendant his said inventions, massage machine and improved massage machine, and the modifications and improvements thereof, his ideas originating the same, the manner of making the same, the novelty thereof and of all its various parts, the use to which the same might be put, the commercial value thereof, the various methods of manufacturing the same and combining the elements of novelty thereof.

16. That in or about the month of February, 1926, said plaintiff Oppenheimer, relying upon the agreements aforesaid, necessarily disclosed to defendant in order to enable

him at the request of said plaintiff Oppenheimer to make models and to manufacture certain parts thereof, said im- [fol. 96] proved massage machine conceived by said Oppenheimer, which consisted of a heating element composed of asbestos and wire, enclosed in a brass tube, the whole thereof enclosed in an aluminum roller which rotated around the brass tube, itself stationary, and resting on two extra pieces of metal inserted in the ends of said roller, and connected or attached to a wooden handle with a metal frame or top bar over the roller, the heating element in the brass tube being connected with a wire running through the wooden handle intended to be connected with a source of electric energy, such as a socket.

17. That thereafter and under the instruction and direction of the plaintiff Oppenheimer, defendant made large quantities of said machines, all in accordance with the conception, ideas and invention of the plaintiff Oppenheimer.

18. That without the knowledge or consent of the plaintiffs or either of them and in or about the month of March, 1926, while he was thus engaged in making massage instruments and mechanical parts for said plaintiff Oppenheimer and after ascertaining from said plaintiff Oppenheimer the ideas, facts and information above set forth and all the facts concerning the said invention and machines of plaintiff Oppenheimer and the modifications and improvements thereof, defendant appropriated to his own use said ideas, said invention, machines and the modifications and improvements thereof, and in violation of his agreement aforesaid [fol. 97] and of the confidential relation between the parties, made application to the Commissioner of Patents of the United States in his own name for letters patent on said improved machine, by application known as Serial No. 97862.

19. That on or about the 27th day of March, 1926, defendant filed in the United States Patent Office a petition, specification, claims and oath under said application for letters patent bearing Serial No. 97862, which application was granted and letters patent issued to said defendant on or about July 5th, 1927, bearing No. 1,634,316.

20. That in said petition, specification, claims and oath the defendant falsely stated that he had invented said in-

strument; that he was the original, first and sole inventor thereof; that he did not know and did not believe that the same was ever known or used before his alleged invention or discovery thereof.

21. That said statements were false and untrue in that the defendant had misappropriated the knowledge obtained by him from plaintiff Oppenheimer during the course of his employment as machinist; that he had not invented said instrument; that he was neither the original nor the sole inventor thereof; that he knew and believed that the same was known and used before his alleged invention or discovery thereof, namely, by the said plaintiff Oppenheimer, who to the knowledge of the defendant was the inventor thereof, and that defendant knew that all of his said state- [fol. 98] ments were false and untrue.

22. That the letters patent thus applied for by the defendant and issued to him were for a machine consisting of a heating element composed of asbestos and wire, enclosed in a brass tube, the whole thereof enclosed in an aluminum roller which rotated around the brass tube, itself stationary, and resting on two extra pieces of metal inserted in the end of said roller, and connected or attached to a wooden handle with a metal frame or top bar over the roller, the heating element in the brass tube being connected with a wire running through the wooden handle intended to be connected with a source of electric energy such as a socket.

23. That until on or about the 15th day of August, 1927, neither the plaintiffs nor either of them had any knowledge either of said application by the defendant for said letters patent or of the issuance of said letters patent to the defendant.

24. That without such knowledge and until the discovery by the plaintiffs of the existence of said application for and issuance of said letters patent, they continued to procure the defendant to manufacture for them the machine invented by said plaintiff Oppenheimer.

25. That immediately upon discovering the existence of said application for and the issuance to the defendant of said letters patent, plaintiffs demanded that the defendant discontinue making any machines pursuant to the letters

[fol. 99] patent issued to the defendant, or similar thereto, or modifications or improvements thereof, and demanded that the defendant transfer, set over and assign to said plaintiff Oppenheimer all his right, title and interest in and to said letters patent issued in the name of the defendant, which the defendant refused to do.

26. That plaintiffs have invested large sums of money in the manufacture and distribution of said machines and have manufactured large quantities thereof.

27. That defendant threatens and intends to manufacture and sell instruments such as are described in said letters patent issued to him, to the irreparable injury of the plaintiffs, and has such instruments and parts thereof in his possession.

28. That the plaintiffs have no adequate remedy at law.

29. That from June, 1926, and continuously thereafter, plaintiff Contoure Laboratories, Inc., was engaged in marketing said massage machines so conceived and invented by plaintiff Oppenheimer.

30. That until the month of August, 1927, the massage machines thus marketed by plaintiff Contoure Laboratories, Inc., were manufactured at the request of the plaintiffs by defendant Becher.

31. That plaintiff Contoure Laboratories, Inc., has filed a consent that the assignment to be made by the defendant [fol. 100] of the patent issued in the name of the defendant on July 5th, 1927, be to plaintiff Oppenheimer alone, and that all instruments and parts thereof in the possession of the defendant be delivered to plaintiff Oppenheimer alone and that in said consent, plaintiff Contoure Laboratories, Inc., waived any direction that said assignment be made and said instrument and parts thereof be delivered either to itself and plaintiff Oppenheimer jointly.

32. That this is a difficult and extraordinary case within the provisions of Section 1513 of the Civil Practice Act wherein a defense was interposed.

33. That the value of the subject matter involved in this action is equal to at least the sum of $20,000.

Conclusions of Law

1. That the defendant is and ever since March, 1926, has been a trustee ex maleficio for the benefit of plaintiff Oppenheimer of said invention and the letters patent issued to the defendant under No. 1,634,316 and any and all modifications and improvements thereof.

2. That plaintiffs are entitled to judgment:

(a) Declaring the defendant now and ever since March, 1926, a trustee ex maleficio for the benefit of plaintiff Oppenheimer of said invention and the letters patent issued to defendant under No. 1,634,316 and any and all modifications and improvements thereof;

[fol. 101] (b) Directing the defendant within 5 days after service of notice of entry of judgment upon the attorneys for the defendant, to deliver to the plaintiffs at the office of Moers & Rosenschein, attorneys for the plaintiff, 280 Madison Avenue, in the Borough of Manhattan, City of New York, an assignment of patent in the form of the proposed assignment hereto annexed and marked Exhibit A, duly executed and acknowledged by defendant;

(c) Forever enjoining and restraining the defendant from using, manufacturing, selling, hiring out or otherwise using, distributing or disposing of any of said instruments or any parts thereof or modification or improvement thereof;

(d) Forever enjoining and restraining the defendant from transferring, assigning or granting any rights, licenses or privileges under said letters patent or to such an instrument or any similar instruments or parts or modifications or improvements thereof;

(e) Directing the defendant to deliver up to plaintiff Oppenheimer all instruments and parts thereof now in his possession;

(f) Granting to plaintiffs an extra allowance in the sum of $1,000;

(g) Granting to plaintiffs the costs and disbursements of this action, together with such extra allowance, and an execution therefor;

(h) Providing that plaintiff have such other and further [fol. 102] relief as this Court may direct after the entry of judgment at the foot of said judgment.

I direct that judgment be entered accordingly.
Dated New York, June 29, 1928.
Russell Benedict, Official Referee of the Second Judicial Dept.

Exhibit A, see below.

STATEMENT RE EXHIBIT A TO EXHIBIT "J"

Exhibit A attached to Exhibit J same as Exhibit 7. See p. 31.

Exhibit A attached to Exhibit K is not reprinted as it is the same as that attached to Exhibit J. See Rec., p. 31.

STATEMENT RE EXHIBIT K TO ANSWER

Judgment in State Court Action.
Exhibit K same as Exhibit 7. See p. —.

[fol. 103] IN UNITED STATES DISTRICT COURT

ORDER DENYING APPLICATION FOR INJUNCTION, ETC., JULY 11, 1928—Filed July 12, 1928

An application made by the plaintiff for an injunction having duly come on to be heard on the 10th day of July, 1928, now, after reading the order to show cause signed by United States District Judge William Bondy, the affidavit of Edward Becher, sworn to July 6th, 1928, and the exhibits thereto annexed, the affidavit of Herbert Oppenheimer, sworn to July 10th, 1928, and the exhibits thereto annexed, the bill of complaint and the answer thereto, and after hearing O. Ellery Edwards, Esq., counsel for the plaintiff in support of said application, and Moers & Rosenschein, attorneys for the defendants, Chas. S. Rosenschein, Esq., of counsel, in opposition thereto, and due deliberation having been had thereon, it is

Ordered that said application be and it hereby is in all respects denied; and it is further

Ordered that the restraining order contained in the order to show cause of United States District Judge William Bondy dated July 10th, 1928, be and it hereby is in all respects vacated and set aside and declared null and void henceforth.

Julian W. Mack, United States Circuit Court.

[fol. 104] In United States District Court

[Title omitted]

Petition for Appeal and Assignment of Errors

To the Honorable, the District Judges of the United States in and for the Southern District of New York:

The above named plaintiff, Edward Becher, conceiving himself to be aggrieved by the interlocutory decree made herein on the 11th day of July, 1928, wherein a motion for a preliminary injunction was denied as to claims 1 and 4 of the Letters Patent in suit No. 1,634,316 granted to the plaintiff, Edward Becher, the 5th day of July, 1927, and also a motion for an injunction restraining the defendants from further proceedings in the Supreme Court of the State of New York for Kings County in a case pending between the parties No. 23237/27, does hereby appeal to the United States Circuit Court of Appeals in and for the Second Circuit from said decree for the reasons set forth in the assignment of errors, forming a part hereof, and it prays that this, its petition for appeal, may be allowed and that a transcript of the record, proceedings and papers upon [fol. 105] which said decree was entered, may be transmitted with this appeal to the said Circuit Court of Appeals. And the plaintiff presents with the above petition for appeal the following assignments of errors:

1. The District Court erred in refusing the preliminary injunction as prayed for in paragraphs 2 and 4 of the Bill of Complaint herein and as to claims 1 and 4 of the patent in suit.

2. The District Court erred in not holding said patent in suit No. 1,634,316 valid and infringed as to claims 1 and 4.

3. The District Court erred in holding that it had no jurisdiction to restrain further proceedings in the case

between the same parties pending in the Supreme Court of the State of New York for Kings County No. 23237/27.

O. Ellery Edwards, Solicitor for Plaintiff.

[fol. 106] In United States District Court

Order Allowing Appeal

The foregoing petition for appeal is allowed and the claim of appeal therein made is allowed.

It is further ordered that Edward Becher file a bond herein in favor of the defendants and approved by this Court in the sum of $250.00 conditioned upon the payment of all costs and damages that may be awarded by this Court against this plaintiff if this plaintiff fails to make this appeal good.

Dated, July 11th, 1928.

Julian W. Mack.

Usual appeal bond in favor of the defendants in the sum of $250 filed July 12, 1928.

[fol. 107] Citation, in usual form, omitted in printing.

[fol. 108] In United States District Court

[Title omitted]

Stipulation re Transcript of Record

The Court consenting, it is stipulated and agreed by and between counsel that the record on appeal in this case shall consist of the papers named below, titles being abbreviated so as to avoid unnecessary repetition and each paper fully identified with a title and filing date, as set forth below.

It is agreed that where papers are duplicated, one printing shall be sufficient with a cross reference showing where the text is found in the record.

1. The bill of complaint filed July 6, 1928.

2. Order to show cause signed by Judge Bondy filed July 6, 1928 at 3:47 P. M.

3. Affidavit of Edward Becher filed July 6, 1928 and exhibits thereto attached as follows:

Exhibit 1, copy of Becher patent in suit No. 1,634,316.

Exhibit 2, physical exhibit which will not form part of the [fol. 109] record, but may be used by either party at the hearing.

Exhibit 3, copy of complaint in the State Court case pending between the same parties in the Supreme Court of the State of New York for Kings County No. 23237/27.

Exhibit 4, amended and supplemental answer in said State Court case.

Exhibit 5, a copy of the drawing of the Oppenheimer application filed in June, 1926.

Exhibit 6, a copy of the declaration of interference between the parties declared in October, 1927.

Exhibit 7, order against Becher entered in the State Court case July 5, 1928.

4. Memorandum by Judge Mack filed July 10, 1928.

5. Affidavit of Herbert Oppenheimer filed July 11, 1928 and exhibits annexed thereto as follows:

Exhibit 1, copy of the Oppenheimer application filed in December, 1925.

Exhibit 2, copy of the Oppenheimer application filed in June, 1926. Exhibits 3, 4 and 5, Drawings. (The copy of the drawing of this application is attached to the Becher affidavit as Exhibit 5.)

6. Answer of the defendants filed July 11, 1928 and attached exhibits as follows:

Exhibit A, copy of the summons in the State Court case between the parties, of which Exhibit 3 attached to the Becher affidavit is the complaint.

[fol. 110] Exhibit B, the said complaint in the State Court.

Exhibit C, the opinion of Mr. Justice Carswell in said State Court case.

Exhibit D, the order of Mr. Justice Carswell in the said State Court case.

Exhibit E, the answer in said State Court case.

Exhibit F, the second opinion of Mr. Justice Carswell in the said State Court case.

Exhibit G, the amended and supplemental answer in said State Court case.

Exhibit H, the order of reference in said State Court case.

Exhibit J, the decision in said State Court case signed by the referee, Russell Benedict, Esq.

Exhibit A annexed to Exhibit J, the proposed assignment of Becher to Oppenheimer of the patent in suit.

Exhibit K, the final decree in said State Court case.

Exhibit A annexed to Exhibit K, another copy of the proposed assignment of Becher to Oppenheimer of the patent in suit.

7. The order of Judge Mack dated the 11th day of July, 1928 and filed July 12, 1928.

8. Petition for appeal, assignment of errors and order allowing appeal dated July 11, 1928 and filed July 12, 1928.

9. It is admitted that an appeal bond in favor of the defendants in the sum of $250 has been filed the 12th day [fol. 111] of July, 1928 in the District Court in this case by the party Becher and that the printing thereof is unnecessary.

10. Citation.

11. This stipulation.

12. The usual Clerk's certificate.

O. Ellery Edwards, Solicitor for Plaintiff. Moers & Rosenschein, Solicitors for Defendants.

Dated New York, July 16, 1928.

So ordered. Julian W. Mack, U. S. C. J.

[fol. 112] In United States District Court

[Title omitted]

Stipulation re Transcript of Record

It is hereby stipulated and agreed, that the foregoing is a true transcript of the record of the said District Court in the above-entitled matter as agreed on by the parties.

Dated —— —, 1928.

O. Ellery Edwards, Attorney for Appellant. Moers & Rosenschein, Attorney for Appellees.

[fol. 113] Clerk's certificate to foregoing transcript omitted in printing.

UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT

EDWARD BECHER, Plaintiff-Appellant,

vs.

CONTOURE LABORATORIES, INC., and HERBERT OPPENHEIMER, Defendants-Appellees

Before Manton, L. Hand, and Swan, JJ.

Appeal from the District Court of the United States for the Southern District of New York

In a suit in equity for infringement of Letters Patent No. 1,634,316, plaintiff's motion for an interlocutory injunction was denied. Order affirmed and cause remanded with directions to dismiss the bill of complaint.

O. Ellery Edwards, Solicitor for Appellant.

Moers & Rosenschein, Solicitors for Appellees, Charles S. Rosenchein, of Counsel.

SWAN, Circuit Judge:

The relief sought on the motion for a preliminary injunction was two fold: (1) to prevent infringement of Becher's Patent, and (2) to prevent the further prosecution by defendants of a suit pending between the same parties in the Supreme Court of the State of New York, wherein judgment had been entered directing Becher to assign his said patent to Herbert Oppenheimer, one of the plaintiffs in that litigation and a defendant in this. But the whole argument centers upon the refusal of the District Court to enjoin prosecution of the State suit; if the State court had jurisdiction, its judgment precludes plaintiff from claiming infringement by the defendants. The appellant contends that that court had no jurisdiction of the litigation because it was a case arising under the patent laws of the United States and so within the exclusive jurisdiction of Federal tribunals. Sec. 256 of the Judicial Code (U. S. C. A., Tit. 28 Sec. 371).

In the State suit, Oppenheimer and his assignee Contoure Laboratories were plaintiffs. They allege that Op-

penheimer was the proprietor of an invention for a certain massaging instrument, and was engaged in devising improvements thereof; that he employed Becher to make mechanical parts of said instrument and Becher agreed to keep secret and confidential such information as he should obtain from Oppenheimer in the course of doing such work; that Oppenheimer disclosed to Becher his said invention and modifications and improvements thereof in order that Becher might perform the agreed work, and that Becher appropriated Oppenheimer's ideas and invention and in violation of his aforesaid agreement made application for a patent upon said instrument and obtained upon said application the issuance of Letters Patent No. 1,634,316; that in said application Becher falsely stated that he was the inventor although in fact, as Becher knew, Oppenheimer was the inventor of said instrument; that Oppenheimer had assigned his interest in said invention and instrument to Contoure Laboratories; that upon learning of the patent issued to Becher, Oppenheimer and his assignee demanded that Becher discontinue making instruments pursuant to said Letters Patent, and assign the Patent to them; that they have established a substantial trade in such instruments and that Becher's sale of instruments such as are described in said Letters Patent causes them irreparable injury. The prayer for relief is (1) that Becher be declared a trustee ex maleficio for Oppenheimer's assignee of said invention and the Letters Patent; (2) that he be restrained from using or disposing of said instruments; (3) that he be enjoined from granting any rights under said Letters Patent; (4) that he deliver up to the plaintiffs all instruments in his possession; and (5) for damages and other appropriate relief. Becher's answer denied the allegations of the complaint; alleged the issuance to himself on July 5, 1927, of said Letters Patent, that subsequently thereto Oppenheimer had amended a patent application which he had filed on June 26, 1926, and an interference had been declared between Becher's Letters Patent and Oppenheimer's amended application which interference remained pending and undetermined in the Patent Office; and denied the jurisdiction of the State court. The State court sustained its own jurisdiction and trial was had before a referee, who made a finding of facts supporting all of the

allegations of the bill. Judgment was thereupon entered adjudging Becher a trustee ex maleficio for the benefit of Oppenheimer of the invention and Letters Patent and directing him to execute an assignment of the Patent. Injunctive relief was also granted in accordance with the prayer of the bill. Becher then filed the present suit to obtain an adjudication of the validity of his patent and to enjoin the enforcement of the State court judgment.

The exclusive jurisdiction of Federal courts in cases arising under the patent laws does not preclude State courts from exercising their customary common law and equity jurisdiction merely because a patent is involved in the litigation. It is well settled that a State court may try questions of title and may construe, enforce or annul contracts relating to patents. Marsh v. Nichols, 140 U. S. 344; New Marshall Engine Co. v. Marshall Engine Co., 223 U. S. 473; Luckett v. Delpark, 270 U. S. 496; Binney v. Annan, 107 Mass. 94; see also Wittemann Bros. v. Wittemann Co., 88 N. Y. Misc. 266; Hanson v. Hall Mfg. Co., 190 N. W. 967 (Iowa). This applies as well when a contract to assign is implied from the relationship of the parties as when it is express. Air Reduction Co. v. Walker, 118 N. Y. Misc. 827; Annin v. Wren, 44 Hun. 352, 353; Fuller & Johnson Mfg. Co. v. Bartlett, 68 Wis. 73. In such cases, of course, the plaintiff asserts nothing which questions the validity of the defendant's patent.

In the case at bar, the plaintiff in the State suit charged that the defendant got from him the ideas which were embodied in the patent. This fact, if true, would mean that the patent issued to defendant was null and void. Kennedy v. Hazelton, 128 U. S. 667. Merely to get an idea from another is not a tort—the inventor may have freely communicated it. In that event the inventor has no recourse except to an interference in the Patent Office, if the borrower files an application for a patent embodying his idea. But the idea may have been obtained under circumstances which forbid the borrower to make use of it for his own benefit. The complaint in the State suit alleged and the court found, that Becher had agreed to keep secret and confidential such information as Oppenheimer gave him concerning his massaging instrument; and that in violation of this agreement and of the confidential relationship between

the parties, Becher embodied this information in his application for a patent. If the invention had been merely a trade secret, Oppenheimer could have enjoined Becher from using it for his own benefit and could have compelled him to account for anything of value which he had obtained by wrongful use of it. Morison v. Moat, 9 Hare 241; Du Pont Powder Co. v. Masland, 24; U. S. 100. This should be equally true when the secret is an invention.

The only question is whether the undoubted jurisdiction of the State court to compel a wrongdoer to account is divested because the incidental result will be to establish a fact between the parties which affects the validity of a patent. The exclusive jurisdiction of the Federal courts in patent cases does not, we think, go so far. In Pratt v. Paris Gas Light & Coke Co., 168 U. S. 255, 259, Mr. Justice Brown says:

"The action under consideration is not one arising under the patent right laws of the United States in any proper sense of the term. To constitute such a cause the plaintiff must set up some right, title or interest under the patent laws, or at least make it appear that some right or privilege will be defeated by one construction, or sustained by the opposite construction of these laws. * * *

"* * * There is a clear distinction between a case and a question arising under the patent laws. The former arises when the plaintiff in his opening pleading—be it bill, complaint or declaration—sets up a right under the patent laws as ground for a recovery. Of such the state courts have no jurisdiction. The latter may appear in the plea or answer or in the testimony. The determination of such question is not beyond the competency of the state tribunals."

That case held that a State court is not ousted of jurisdiction by the fact that incidentally to his defense the defendant claims the invalidity of a certain patent. True, there the defendant set up the patent's invalidity, while here it appears on the face of the complaint, as it did in Middlebrook v. Broadbent, 47 N. Y. 443. But it appears only incidentally and as an element of plaintiff's proof. Oppenheimer's complaint sets up no "right under the patent laws as ground for a recovery," to repeat Justice Brown's phrase His cause of action is based on equitable principles appli-

cable to any wrongful use of confidential information which the defendant had agreed to keep secret. It is true that a question of fact was decided which determines the invalidity of Becher's patent as between the parties and estops him upon that issue whenever it arises again between him and Oppenheimer. But if the jurisdiction of State courts were limited by such incidental consequences, they would be unable to adjudicate all sorts of cases. For example, an action of replevin might involve the question whether the plaintiff had made a machine in defendant's possession. That machine might be a prior use of an invention which defendant had patented. Surely it cannot be that the State court would have no jurisdiction of the replevin suit because the judgment therein would establish that the machine was of plaintiff's construction and so anticipated the patent. Yet the appellant must go so far to succeed in the case at bar.

The appellant has cited no authority which clearly sustains his position and none has been found by independent research. In Cheatham Elec. &c. Co. v. Kentucky S. & S. Co., 213 Ky. 231, 280 S. W. 469, chiefly relied upon, plaintiff sought a declaratory judgment that certain patents owned by it gave it the right, denied by defend, to make and sell certain articles. The petition was rightly dismissed for lack of jurisdiction because plaintiff was asserting rights under the patent laws. The defendant filed a counter claim, which was somewhat comparable to Oppenheimer's suit, and this was dismissed because it necessarily followed the disposition of the original petition. In Standard Scale &c. Co. v. McDonald, 127 F. 709 (C. C. Mo.) also relied upon, the bill alleged that Orcutt invented a wagon scale while employed by defendants, that he applied for a patent upon said invention and later learned that the defendants had previously applied and obtained a patent for said invention, that they were not the original inventors and obtained their patent by fraudulent representations to the Patent Office and in fraud of the rights of the first inventor, Orcutt, who had assigned his invention to the plaintiff. The relief sought was an injunction to restrain defendants from manufacturing under their patent, and an accounting. A demurrer was sustained to this bill upon the ground that the issue of originality of invention was for determination in

the interference in the Patent Office. This case differs from the case at bar in that there is no allegation that the defendants had contracted with Orcutt to keep secret his invention or that the relations of the parties were such that defendants committed a tort upon Orcutt in disclosing it to the Patent Office. It is true that the defendant are alleged to have obtained their patent by a fraud upon the Patent Office and "in fraud of the rights of" Orcutt, but his rights thus referred to were apparently merely the inchoate right which every inventor has to apply for and secure a patent. It was not a right sustained by acknowledged common law or equitable principles and no conduct of the defendants was charged which amounted to a breach of contract or a tort. Judge Philips in deciding the McDonald case relied upon Hoeltge v. Hoeller, Fed. Cas. 6574, which is similarly distinguishable from the case at bar.

On the other hand, in Murjahn v. Hall, 119 F. 186 (S. D. N. Y.), where the allegations are similar but contain the additional statement that the defendant induced the plaintiff to disclose his invention by representing that the information would be kept secret, the bill of complaint was sustained against demurrer. Judge Townsend's opinion says (p. 188):

"Upon the facts submitted on demurrer in the case at bar, complainant had made an invention which he might legally keep secret, and thus secure the benefits to himself. Defendant obtained its disclosure by the representation that such disclosure would not deprive the complainant of the benefit of the invention, and that defendant would not disclose it to others, and would be a large purchaser of the paint; and, having learned it, he proceeded to use it to complainant's disadvantage and make large profits thereby. Upon those facts complainant should be entitled to an accounting and an injunction."

The basis of Federal jurisdiction does not appear in the opinion. If it was diversity of citizenship, this decision would be an authority in favor of the jurisdiction of a State court. In commenting upon this case in the McDonald case, Judge Phillips remarked:

"The opinion of Judge Townsend, in the latter case, is quite brief. The conclusion of the court would seem to

have been influenced by the consideration that the defendant had, by cunning and deceit, obtained the complainant's secret of invention, and that it inheres in the principles of equity jurisprudence to obstruct and prevent the enjoyment of the fruits of such fraud. It did not appear in that case, as in the one at bar, that the complainant had filed his application for a patent with the Commissioner of Patents, and that such application was pending before the Commissioner at the time of the issuance of the patent to the defendant."

In the case at bar, the bill of complaint does not allege that Oppenheimer had filed an application in the Patent Office, although that fact is brought in by Becher's answer. It is not in our judgment material. Oppenheimer is not asserting any right by reason of an application for a patent nor any right under the patent laws. He is relying solely upon common law and equitable principles to prevent a wrongdoer from profiting by the disclosure of information obtained under circumstances which bound him to keep it secret and to account for such profit as he has made by wrongful use of the information. It may be that the relief prayed and granted goes too far. Becher has been ordered to assign a void patent. From Kennedy v. Hazelton, 128 U. S. 667, it appears that this should not have been ordered because, as the court there points out, the only value which a void patent could have to the assignee would be to enable him to impose upon the public. But this goes merely to an error of law committed by the State court in its judgment, not to a lack of jurisdiction to render any judgment. On the court's finding that Becher had obtained knowledge of the invention under circumstances which bound him to keep it secret, Oppenheimer was entitled to an injunction against improper use by Becher of such knowledge. Authority, as well as principle, sustains the State court's jurisdiction to grant such relief. Smith & Egge Mfg. Co. v. Webster, 87 Conn. 74; Irving Iron Works v. Kerlow Steel Flooring Co., 126 Atl. 291 (N. J.). As to copyright, see Underhill v. Schenck, 238 N. Y. 7, 14; Hoyt v. Bates, 81 F. 641 (C. C. Mass.).

Appellant's attorney upon the argument invited us to dismiss the bill if we concluded that the State court had jurisdiction. On the authority of Mast, Foos & Co. v.

Stover Mfg. Co., 177 U. S. 485, we have power to do so. Accordingly the decree is affirmed and the cause remanded with directions to dismiss the bill of complaint.

[Endorsed:] United States Circuit Court of Appeals, Second Circuit. Edward Becher, Plaintiff-Appellant, vs. Contoure Laboratories, Inc., and Herbert Oppenheimer, Defendant-Appellees. Opinion. Swan, C. J.

UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT

EDWARD BECHER, Plaintiff-Appellant,

against

CONTOURE LABORATORIES, INC., and HERBERT OPPENHEIMER, Defendants-Appellees

MANTON, Circuit Judge (dissenting):

Patent No. 1,634,316 was granted to appellant on July 5, 1927, on an application filed March 27, 1926, for a massage heating roller. The present suit is for infringement of this patent and for an injunction restraining the further prosecution of an equity suit in the New York State Court between the parties. Appellant, prior to the filing of his application for this patent, made the device for the appellee Oppenheimer. Appellant alleges it was unsuccessful and although modified, did not succeed and has been abandoned. After appellant filed his application for this patent, he furnished apparatus for the same to the appellee. Oppenheimer filed a later application for a patent, June, 1926. In August, 1927, the parties disagreed. Appellee, Contoure Laboratories, Inc., incorporated by Oppenheimer, took over the latter's business. Oppenheimer filed an amendment to his application of June 26, 1927, and claimed appellant's patent and asked for an interference between the parties. But before that interference was declared, appellee brought suit against the appellant in the Supreme Court of the State of New York. The complaint alleged that Oppenheimer disclosed the idea of the Becher patent to him and that Becher fraudulently took out a patent in defiance of Op-

penheimer's rights. The interference has never been prosecuted and is still pending. The present suit for infringement brings into question who is the first inventor, the claim being that the Federal Court only has exclusive jurisdiction of this issue. It is contended that the state court erroneously took jurisdiction and decided this question which is one arising under the patent laws of the United States. Sec. 256 U. S. Judicial Code.

The complaint in the state court did not claim an expressed contract whereby appellant was to apply his inventive skill to the use of the appellee nor is it claimed that a contract exists by which the resulting invention of the appellant, made during such employment, must pass to the appellee. But the complaint in the state court stated:

"that defendant (present plaintiff) appropriated to his own use said ideas and said invention and the modification and improvements thereof, an in violation of his agreement (to keep Oppenheimer's ideas secret) made application to the Commissioner of Patents of the United States for letters patent."

It alleged a fraudulent use of Oppenheimer's ideas. The complaint did not allege that the plaintiff had agreed to assign his invention, but, on the contrary, says that he did not invent anything and if the appellees' theory is right, then the patent is void. Kennedy v. Hazelton, 128 U. S. 667. The issue in the state court was whether the patent obtained by plaintiff was a product of his own genius, while in the employ of the appellee, or whether it was a fraudulent use of Oppenheimer's idea. The solution of this question necessarily required a challenge to the validity of the patent obtained by the appellant. The issue was not whether a patent, concededly valid, is the product of appellant's genius and as such, should be assigned under an implied contract of assignment. The suit sounded in tort and not in assumpsit.

It may not be doubted now that the state courts are permitted to adjudicate suits which may incidentally involve the patent law, as in Luckett v. Delpark, 270 U. S. 496, in which case it was pointed out that the complainant did not, by its bill in the state court, raise any question as to the validity or construction of the patent nor did it make any

claim for damages for infringement. That suit was an ordinary bill for specific performance to complete the assignment to complainant for an improvement of a patent in compliance with his covenant for further assurance, and it was held that the defendant there held the legal title as trustee for the complainant and that the state court had jurisdiction to pass upon the ownership. That case did not arise under the patent law. The main and declared purpose was to enforce the rights of the plaintiff under contract with the defendants for royalties and the reconveyance of one patent. The issues there were whether the assignee of a patent was performing his contractual duties, the patent being concededly the assignor's while in the case at bar the issue was whether the appellant made his own discovery or fraudulently used Oppenheimer's. At bar there is no contract of assignment whatever upon which a state court could permissibly adjudicate the question of who is the first inventor, and a mere reading of the decision and findings in the state court point out clearly that the basis of decision was a determination by the trial judge that Oppenheimer's was the first conception and that appellant took his ideas in applying for the patent. It is not intimated that the appellant was to apply for the patent in Oppenheimer's behalf. Appellant's claim was that the idea of the patent was his own knowledge. The state trial court in decision merely held that Oppenheimer made certain discoveries and not the appellant and therefore they were not of the appellant's discovery. It is the same issue that is presented in the interference proceeding. Congress long ago determined to leave that to the Patent Office. New Marshall Engine Co. v. Marshall Engine Co., 223 U. S. 473; Excelsior Wooden Pipe Co. v. Pacific Bridge Co., 185 U. S. 282; St. Paul Plough Works v. Starling, 127 U. S. 376. In Pratt v. Paris Gas Light & Coke Co., 168 U. S. 255, the plaintiff sued in the state court to recover a sum of money for the manufacture and installation of a water gas device. The defendant pleaded that the plaintiff had guaranteed to save him harmless and defend him in any suit brought by third parties for patent infringement; that the patent laws under which the plaintiff made the apparatus were void and an infringement of the patent of another company which had sued the defendant for infringement; that the plaintiff

had not defended the suit and that the defendant had thus been compelled to cease using the apparatus. At the trial, the defendant introduced evidence tending to show defendant's patent infringed that of the other company, in support of the allegations of its defense, the Supreme Court said:

"The action, however, was not brought to test the validity of the plaintiff's patents; to recover damages for the infringement, or to enjoin the use by the defendant. The suit was an ordinary action of assumpsit upon the common counts for the price of a machine—a patented machine it is true—but none the less subject to a common law action to recover its value."

The question of the validity of the patent was raised collaterally in the state court, but at bar it is in direct litigation between the alleged patentee and the infringer and the issue of validity of the patent was squarely raised by the appellee in the state court when he took the position that the appellant was not the discoverer of the device for which he had obtained a patent. Therefore cases like Wade v. Lawder, 165 U. S. 624; Dale Tile Mfg. Co. v. Hyatt, 125 U. S. 46; By Products Recovery Co. v. Mabee, 288 Fed. 401; Underhill v. Schenck, 238 N. Y. 7 and Wittemann Bros. v. Wittemann Co., 88 Misc. Rep. 266, which hold merely that the state court has jurisdiction to determine the question of whether a contract for assignment of a defendant's interest in a pending or existing patent has been breached, are not in point. In Craig &c. Corp. v. Static Control Co., 295 Fed. 72, this Court had before it a claim of a plaintiff who alleged an assignment of the defendant's patent to him whereby he became the sole owner of the invention and any improvements thereon. The bill alleged that the defendants thereafter established defendant corporation and manufactured articles infringing the plaintiff's patent. The defendant said the articles were manufactured under the separate patent issued to him. The plaintiff at the trial sought to prove that an officer of the plaintiff was the inventor of the second patent and not the defendant. This court held that the defendant's device did not infringe but upon the claim that the plaintiff's officer was the inventor

and not the defendant, this court after a review of the provisions of the statute, said:

"It is thus apparent that any priority controversy except one arising under §§4915 and 4918 (which is not material in the instant case) of the Revised Statutes is to be considered a finality in any subsequent infringement litigation where the patent in suit is not a patent granted on the invention which was involved in said priority controversy in the Patent Office. Until the applicant has exhausted his rights through the tribunals of the Patent Office, he may not raise the questions here sought to be raised in the district court."

This would have the same application in the State Court. Affirming the district court, we said:

"The exclusive remedy of the appellant for testing the priority of invention is with that tribunal (patent office) except in a direct suit by the Smith patentee for infringement, where the validity of his patent including questions of originality and date of invention might be litigated."

And further as to the third cause of action, it was alleged that it was based upon a contract of assignment, and we held it did not raise a question as to "patentability, title, scope, or monopoly of any patent" and that it was a matter for the state court to decide since there was no diversity of citizenship.

The application of the authorit ive holdings to the facts of the present suit, support the maintenance of this suit in the district court and we should hold that the state court was without jurisdiction because the suit there was based upon the application of the patent laws of the United States. Cheatham Electric Switching Device Co. v. Ky. Switch & Signal Co., 213 Ky. 23.

A preliminary injunction should be granted. This Court has held that where there is no proof of long continued acquiescence by the public as would raise a prima facie case in the patentee's favor, it is the practice to refuse a preliminary injunction. Simpson Bros. Inc. v. Blancard & Co., Inc., 22 Fed. (2d) 498; Hildreth v. Norton, 150 Fed. 428. However, it does appear that by reason of an improper as-

sumption of jurisdiction in the state court, the appellant, who has the presumption of validity of the patent in his favor, is being deprived of the rights thus accorded him by reason of the result in the state court. Infringement by the defendant continues and moreover assumption of the title, by reason of the state court decision, places appellees in control of the manufacturing of the device. Appellant should have equitable relief under these circumstances and an injunction should be granted against further infringement until a trial may be had of the issue presented as to who was the first inventor. An injunction restraining proceedings on the state court decree may be granted under the general equity powers of the district court. Simon v. So. Ry. Co., 236 U. S. 115.

For the reasons stated, I dissent.

[Endorsed:] United States Circuit Court of Appeals, Second Circuit. Edward Becher vs. Contoure Laboratories, Inc., & Ano. (Copy.) Dissenting opinion, Manton, Circuit Judge.

United States Circuit Court of Appeals, Second Circuit

At a stated term of the United States Circuit Court of Appeals in and for the Second Circuit, held at the court-rooms, in the Post Office building, in the city of New York, on the 19th day of November, one thousand nine hundred and twenty eighth.

Present: Hon. Martin T. Manton, Hon. Learned Hand, Hon. Thomas W. Swan, Circuit Judges.

Edward Becher, Plaintiff-Appellant,

v.

Contoure Laboratories, Inc., and Herbert Oppenheimer, Defendants-Appellees

Appeal from the District Court of the United States for the Southern District of New York

This cause came on to be heard on the transcript of record from the District Court of the United States for the

Southern District of New York and was argued by counsel.

On consideration whereof, it is now hereby ordered, adjudged, and decreed that the decree of said District Court be, and it hereby is, affirmed, with costs, and cause remanded with directions to dismiss the bill of complaint.

It is further ordered that a Mandate issue to the said District Court in accordance with this decree.

L. H., T. W. S.

[Endorsed:] United States Circuit Court of Appeals, Second Circuit. Edward Becher v. Contoure Laboratories, Inc. Order for mandate. United States Circuit Court of Appeals, Second Circuit. Filed Nov. 19, 1928. William Parkin, Clerk.

UNITED STATES CIRCUIT COURT OF APPEALS, SOUTHERN DISTRICT OF NEW YORK

I, William Parkin, Clerk of the United States Circuit Court of Appeals for the Second Circuit, do hereby certify that the foregoing pages, numbered from 1 to 132, inclusive, contain a true and complete transcript of the record and proceedings had in said court in the case of Edward Becher, plaintiff-appellant, against Contoure Laboratories, Inc., and Herbert Oppenheimer, defendants-appellees, as the same remain of record and on file in my office.

In testimony whereof I have caused the seal of the said court to be hereunto affixed, at the City of New York, in the Southern District of New York, in the Second Circuit, this 20th day of November, in the year of our Lord one thousand nine hundred and twenty-eight, and of the Independence of the said United States the one hundred and fifty-third.

Wm. Parkin, Clerk.

[fol. 134] SUPREME COURT OF THE UNITED STATES

ORDER ALLOWING CERTIORARI—Filed January 7, 1929

The petition herein for a writ of certiorari to the United States Circuit Court of Appeals for the Second Circuit is granted. And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.

Endorsed on cover: File No. 33,868. U. S. Circuit Court of Appeals, Second Circuit. Term No. 559. Edward Becher, petitioner, vs. Centoure Laboratories, Inc., and Herbert Oppenheimer. Petition for writ of certiorari and exhibit thereto. Filed November 27th, 1928. File No. 33,868.

(5763)

Office Supreme Court, U. S.
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CHARLES ELMORE CROPLEY
CLERK

No. 559

In the Supreme Court of the United States.

OCTOBER TERM—1928.

EDWARD BECHER,

Petitioner,

vs.

CONTOURE LABORATORIES, INC., and HERBERT OPPENHEIMER,

Respondents.

PETITION FOR A WRIT OF CERTIORARI.

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In the Supreme Court of the United States.

OCTOBER TERM—1928.

EDWARD BECHER, Petitioner, vs. CONTOURE LABORATORIES, INC., and HERBERT OPPENHEIMER, Respondents.	No.

PETITION FOR A WRIT OF CERTIORARI.

TO THE HONORABLE, THE CHIEF JUSTICE AND THE ASSOCIATE JUSTICES OF THE SUPREME COURT OF THE UNITED STATES:

Your petitioner, EDWARD BECHER, plaintiff below, prays that a writ of certiorari be issued to the United States Circuit Court of Appeals for the Second Circuit to review the decision of said Court rendered November 19, 1928, in the above entitled case which appears in the transcript of record filed herewith.

The Issue.

Your petitioner states that the matter involved is whether, on the facts of this case, a State Court had jurisdiction to try and determine a Patent Office interference and thereby oust the jurisdiction of the Patent

Office and also the jurisdiction of the United States Courts, when functioning to determine who is the original, first and sole inventor, under the patent laws of the United States, of the subject matter in dispute.

It is believed that this controversy will turn on the interpretation to be placed on the decision of this Court in the case of *Pratt* vs. *Paris Gas Light & Coke Co.*, 168 U. S. 255, 259, where this Court, speaking through Mr. Justice Brown, said:

> "The action under consideration is not one arising under the patent right laws of the United States in any proper sense of the term. To constitute such a cause the plaintiff must set up some right, title or interest under the patent laws, or at least make it appear that some right or privilege will be defeated by one construction, or sustained by the opposite construction of these laws * * *.
>
> "* * * There is a clear distinction between a case and a question arising under the patent laws. The former arises when the plaintiff in his opening pleading—be it bill, complaint or declaration—sets up a right under the patent laws as ground for a recovery. Of such the state courts have no jurisdiction. The latter may appear in the plea or answer or in the testimony. The determination of such question is not beyond the competency of the state tribunals."

The prevailing opinion in the case at bar, (Rec., p. 114), puts one construction on the foregoing and the dissenting opinion (Rec., p. 124), puts another. The construction of the prevailing opinion permits the State Court to try and determine the issue of priority raised affirmatively in the complaint in the State Court proceedings. The dissenting opinion denies that the State

Court had any legal right so to do. These opinions differ as to whether the Patent Office issue of priority is incidental or fundamental to the cause of action stated in the complaint in the State Court. They agree in finding this issue essential, and determined.

The Facts.

The facts on which both these opinions are based and on which this issue of law arose are as follows:

1. Edward Becher, your petitioner, is the patentee of Letters Patent in suit No. 1,634,316, granted July 5, 1927, for a **massaging heating roller** on an application filed March 27, 1926. (Rec., p. 16.) This is the patent in suit on which the cause of action at bar is based, the suit being brought for infringement and for the incidental relief of an injunction to prevent the enforcement of a judgment obtained in a State Court (Rec., p. 9), as will be explained below.

2. Late in 1925, Becher had certain negotiations with Oppenheimer, one of the respondents, and as a result of these negotiations, Becher reproduced the massaging iron of Oppenheimer and made some thirty five replicas of the same. These irons are not in any way disputed. (Rec., pp. 36 to 42.) They were failures and had to be changed. It is alleged by respondents that Oppenheimer gave confidential instructions to Becher with regard to these irons and work thereon, by virtue of which Becher was to keep secret and confidential any disclosure made to him by Oppenheimer. (Rec., pp. 36 and 37.) Becher denies this. (Rec., p. 14.) At a later date, June, 1926, Oppenheimer incorporated his business and became President of the corporation, the other respondent at bar (Rec., p. 23 and p. 52), but as the other respond-

ent stands in his shoes and as it is alleged in the bill of complaint, that these two respondents conspired and confederated together to defeat the rights of Becher (Rec., p. 4), it is not necessary to distinguish between the two, and we will proceed in this case as if Oppenheimer and his company were one and the same.

3. After the failure of Oppenheimer as to the massaging machines, above mentioned, each of which had three rollers, Becher made for Oppenheimer, showed to Oppenheimer, and disclosed to Oppenheimer, a single roller machine. Becher claims that this was his own invention and for this, he took out the patent in suit. (Rec., p. 4.) Oppenheimer claims that he confidentially disclosed this to Becher and Becher fraudulently took out the patent in suit. (Rec., pp. 36, 37, 18, 19 and 20.)

4. On June 26, 1926, Oppenheimer filed his application in the Patent Office of the United States. (Rec., p. 54.) Whether or not he knew at this time that Becher had already applied for a patent is disputed and need not be commented on as we believe it makes no difference as to the decision which this Court will reach. As filed, the Oppenheimer application in no way related to the invention of the Becher patent. (Rec., p. 67.)

5. After the disclosure by Becher of the single roller machine, Oppenheimer gave substantial orders for such single roller machines to Becher which orders were filled and paid for in due course and this continued until August, 1927. (Rec., p. 4.)

6. In August, 1927, Becher disclosed his patent to Oppenheimer, which he had obtained the preceding July 5th, and thereupon there was a quarrel between the parties and no new orders have been given by Oppen-

heimer to Becher. Thereafter, orders have been placed elsewhere for these machines and this gave occasion for the infringement suit at bar. (Rec., p. 4.)

7. When Oppenheimer discovered that Becher had a patent, he took a copy to his attorney and amended his application so as to incorporate the claims of Becher and did this on the usual oath, and thereby instituted the interference proceedings which caused the interference to be declared between the two parties under date of October 19, 1927, which interference is now pending, between the parties, and is undetermined. (Rec., p. 8.) The declaration of interference is found in the record at page 28.

8. Oppenheimer, having initiated the interference proceedings, as above stated, did not wait for the interference to be declared, but went to the equity side of the Supreme Court of the State of New York for Kings County and asked for injunctive relief against Becher on the ground that Oppenheimer was the original, first and sole inventor of the Becher patent and that Becher fraudulently appropriated to his own use and behoof the ideas of Oppenheimer and fraudulently obtained the patent here in suit and above mentioned. Becher objected to the jurisdiction of the State Court in this matter and was overruled and he was forced to answer and the case went to trial and was decided adversely to Becher, it being affirmatively found, pursuant to the complaint, that Oppenheimer, and not Becher, was the original, first and sole inventor of the subject matter of Becher's patent and an injunction was granted, also pursuant to the complaint, directing that Becher forthwith assign his patent to Oppenheimer, the other respondent, the Contoure Laboratories, Inc., having consented to this. (Rec., pp. 6 to 9.) (An appeal has been

taken from this judgment, to the Supreme Court, Appellate Division, Second Judicial Department of the State of New York, and the appeal is pending undetermined.)

9. Before the decision, in the State Court, could become effective, the respondent Becher had learned of the infringements above stated, and thereupon brought the bill of complaint in the suit at bar and asked for a preliminary injunction, restraining the infringement of his patent and restraining enforcement of the judgment in the State Court, above referred to. (Rec., p. 9.) The matter came on for hearing on this motion for preliminary injunction, and was denied by the trial Court without an opinion. (Rec., p. 34.) The matter was then appealed by Becher, the petitioner here, to the Circuit Court of Appeals for the Second Circuit and the decision of the lower Court was affirmed in the prevailing opinion with the dissenting opinion, above noted. The prevailing opinion also directs, pursuant to the *Mast Foos* case, 177 U. S. 485, that the bill of complaint be dismissed because the plaintiff in the suit at bar cannot ultimately prevail, so that the decision of the Circuit Court of Appeals is, in substance, a final one in this case. (Rec., p. 123.)

Conclusion.

The petitioner now comes and asks this Court to intervene by granting this petition for a writ of certiorari and directing that the entire matter may be brought here for the consideration and determination of this Court. The position of the petitioner is ably set forth in the dissenting opinion of the Circuit Court of Appeals and it is believed that this petition should be granted in view of the public importance of this case as

to deciding the jurisdictional question between State Courts and Federal Courts in the matter at issue. This dissenting opinion of Judge Manton makes a brief unnecessary for petitioner. The petitioner prays for the relief which Judge Manton says should be granted, (Rec., p. 130) and asks that the case be reversed and remanded accordingly.

Wherefore, your petitioner prays that a writ of certiorari be issued to the United States Circuit Court of Appeals for the Second Circuit, requiring it to send to this Court a proper transcript of the record in that Court and that this Honorable Court may review the decision of said Circuit Court of Appeals and for such other and further relief as may be appropriate.

Edward Becher,
By O. Ellery Edwards,
Counsel for Petitioner.

Certificate of Counsel.

As a member of the bar of this Court, I hereby certify that I have examined the foregoing petition and in my judgment it is well founded and the cause is one in which the prayer of the petition may properly be granted by this Court.

O. Ellery Edwards.

Dated New York, November 20th, 1928.

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SUPREME COURT OF THE UNITED STATES

OCTOBER TERM—1928.

No. 559.

EDWARD BECHER,

Petitioner,

against

CONTOURE LABORATORIES, INC., AND HERBERT OPPENHEIMER,

Respondents.

BRIEF ON BEHALF OF PETITIONER.

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CHARLES WATSON RUSSELL, Printer

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Supreme Court of the United States

OCTOBER TERM—1928.

EDWARD BECHER, Petitioner, AGAINST CONTOURE LABORATORIES, INC., AND HERBERT OPPENHEIMER, Respondents.	No. 559.

Brief on Behalf of Petitioner.

The grounds for jurisdiction are these:

1. The date of the order to be reviewed is the 19th day of November, 1928.

2. The order was rendered by the Circuit Court of Appeals for the Second Circuit in a suit brought under U. S. C., Title 35, Section 70, for infringement of Letters Patent and this order directs that the bill of complaint be dismissed and affirms the lower Court, which denied a motion for a preliminary injunction and also denied a motion prohibiting the enforcement of a judgment obtained by the respondents against the petitioner in a suit in the Supreme Court of the State of New York, for Kings County.

3. The statutes under which jurisdiction is invoked is U. S. C., Title 28, Section 371, and U. S. C., Title 35, Section 70. The petition for a writ of certiorari was

filed November 27, 1928, and the order granting the petition was filed January 7, 1929.

4. The cases believed to sustain the jurisdiction are those arising under the patent laws such as: *Pratt* v. *Paris Gas etc.*, 168 U. S. 255; *Oliver et al.*, v. *Rumford Chemical Works*, 109 U. S. 75 and Henry T. Slemmer's Appeal, 58 Pa. 155.

Statement of the Case.

We believe that the best way of getting at the matter is to quote the statements of the case found in the prevailing opinion at page 73 and in the dissenting opinion at page 80 of the record. These opinions have now been reported and will be found in 29 Fed. (2d) 31. We believe both sides accept these statements as fair and accurate. For a fuller statement see pages 1 to 23 of the Record.

> "SWAN, Circuit Judge. The relief sought on the motion for a preliminary injunction was two-fold: (1) To prevent infringement of Becher's patent; and (2) to prevent the further prosecution by defendants of a suit pending between the same parties in the Supreme Court of the State of New York, wherein judgment had been entered directing Becher to assign his said patent to Herbert Oppenheimer, one of the plaintiffs in that litigation and a defendant in this. But the whole argument centers upon the refusal of the District Court to enjoin prosecution of the state suit; if the state court had jurisdiction, its judgment precludes plaintiff from claiming infringement by the defendants. The appellant contends that that court had no jurisdiction of the litigation, because it was a case arising under the patent laws of the United States, and so within the exclusive jurisdiction of federal tribunals. Section 256 of the Judicial Code (U. S. C., tit. 28, sec. 371).

"In the state suit, Oppenheimer and his assignee, Contoure Laboratories, were plaintiffs. They allege that Oppenheimer was the proprietor of an invention for a certain massaging instrument, and was engaged in devising improvements thereof; that he employed Becher to make the mechanical parts of said instrument, and Becher agreed to keep secret and confidential such information as he should obtain from Oppenheimer in the course of doing such work; that Oppenheimer disclosed to Becher his said invention, and modifications and improvements thereof, in order that Becher might perform the agreed work, and that Becher appropriated Oppenheimer's ideas and invention, and in violation of his aforesaid agreement made application for a patent upon said instrument, and obtained upon said application the issuance of letters patent No. 1,634,316; that in said application Becher falsely stated that he was the inventor, although in fact, as Becher knew, Oppenheimer was the inventor of said instrument; that Oppenheimer had assigned his interest in said invention and instrument to Contoure Laboratories; that, upon learning of the patent issued to Becher, Oppenheimer and his assignee demanded that Becher discontinue making instruments pursuant to said letters patent, and assign the patent to them; that they have established a substantial trade in such instruments, and that Becher's sale of instruments such as are described in said letters patent causes them irreparable injury. The prayer for relief is (1) that Becher be declared a trustee *ex maleficio* for Oppenheimer's assignee of said invention and the letters patent; (2) that he be restrained from using or disposing of said instruments; (3) that he be enjoined from granting any rights under said letters patent; (4) that he deliver up to the plaintiffs all instruments in his possession; and (5) for damages and other appropriate relief. Becher's answer denied the allegations of the complaint;

alleged the issuance to himself on July 5, 1927, of said letters patent, that subsequently thereto Oppenheimer had amended a patent application which he had filed on June 26, 1926, and an interference had been declared between Becher's letters patent and Oppenheimer's amended application, which interference remained pending and undetermined in the Patent Office; and denied the jurisdiction of the state court. The state court sustained its own jurisdiction, and trial was had before a referee, who made a finding of facts supporting all of the allegations of the bill. Judgment was thereupon entered, adjudging Becher a trustee *ex maleficio* for the benefit of Oppenheimer of the invention and letters patent, and directing him to execute an assignment of the patent. Injunctive relief was also granted in accordance with the prayer of the bill. Becher then filed the present suit, to obtain an adjudication of the validity of his patent, and to enjoin the enforcement of the state court judgment.

"MANTON, Circuit Judge (dissenting). Patent No. 1,634,316 was granted to appellant on July 5, 1927, on an application filed March 27, 1926, for a massage heating roller. The present suit is for infringement of this patent and for an injunction restraining the further prosecution of an equity suit in the New York state court between the parties. Appellant, prior to the filing of his application for this patent, made the device for the appellee Oppenheimer. Appellant alleges it was unsuccessful, and, although modified, did not succeed, and has been abandoned. After appellant filed his application for this patent, he furnished apparatus for the same to the appellee. Oppenheimer filed a later application for a patent in June, 1926. In August, 1927, the parties disagreed. Appellee Contoure Laboratories, Inc., incorporated by Oppenheimer, took over the latter's business, Oppenheimer filed an amendment to his application of

June 26, 1927, and claimed appellant's patent, and asked for an interference between the parties.

"But, before that interference was declared, appellee brought suit against the appellant in the Supreme Court of the state of New York. The complaint alleged that Oppenheimer disclosed the idea of the Becher patent to him, and that Becher fraudulently took out a patent in defiance of Oppenheimer's rights. The interference has never been prosecuted and is still pending. The present suit for infringement brings into question who is the first inventor, the claim being that the federal court only has exclusive jurisdiction of this issue. It is contended that the state court erroneously took jurisdiction and decided this question, which is one arising under the patent laws of the United States. Section 256, Judicial Code (28 U. S. C. A. sec. 371).

"The complaint in the state court did not claim an expressed contract whereby appellant was to apply his inventive skill to the use of the appellee, nor is it claimed that a contract exists by which the resulting invention of the appellant, made during such employment, must pass to the appellee. But the complaint in the state court stated 'that defendant (present plaintiff) appropriated to his own use said ideas and said invention and the modification and improvements thereof, and in violation of his agreement (to keep Oppenheimer's ideas secret) made application to the Commissioner of Patents of the United States for letters patent.' "

We also quote from the complaint in the State Court which is found in the record beginning with page 11:

"6. That at the time of engaging the said defendant as a machinist, said plaintiff Oppenheimer and the defendant agreed that the defendant as a machinist would from time to time do certain work for the said plaintiff Oppenheimer under the instruction and direction of

said plaintiff, for the purpose of making models to be used in application by said plaintiff for letters patent, for which said plaintiff agreed to pay to the defendant, and the defendant would keep secret and confidential such information and knowledge as he would obtain from said plaintiff in the course of such instruction and direction by said plaintiff and in the course of the services rendered and work done by the defendant as a machinist in that connection.

"7. That at the time of originally engaging the defendant to make said mechanical parts and from time to time thereafter, said plaintiff Oppenheimer necessarily disclosed to the defendant his said inventions and the modifications and improvements thereof, his ideas originating the same, the manner of making the same, the novelty thereof and all its various parts, the use to which the same might be put, the commercial value thereof and various methods of manufacturing the same and combining the elements of novelty.

"8. That in or about the month of February, 1926, said Oppenheimer necessarily disclosed to said defendant in order to enable him at the request of said plaintiff Oppenheimer to manufacture certain parts thereof, an improved instrument conceived by the said Oppenheimer, which consisted of a heating element composed of asbestos and wire, enclosed in a brass tube and the whole thereof enclosed in an aluminum roller which rotated around the brass tube, itself stationary and connected or attached to a wooden handle with a metal frame or top bar over the roller, the heating element in the brass tube being connected with a wire running through the wooden handle intended to be connected with a source of electric energy such as a socket.

"9. That without the knowledge or consent of the plaintiffs or either of them, and in or about the month of March, 1926, while he was thus en-

gaged in making mechanical parts for said plaintiff Oppenheimer and after ascertaining from said plaintiff Oppenheimer the ideas, facts and information above set forth and all the facts concerning the said invention of plaintiff Oppenheimer and the modification and improvements thereof, the defendant appropriated to his own use said ideas and said invention and the modification and improvements thereof, and in violation of his agreement, made application to the Commissioner of Patents of the United States for letters patent upon the said instrument by application known as Serial No. 97862.

"10. That on or about the 27th day of March, 1926, said defendant filed in the United States Patent Office, a petition, specification of claims and oath upon said application for letters patent bearing serial No. 97862, which application was granted and letters patent issued to said defendant bearing No. 1,634,316.

"11. That in said petition, specification, claims and oath the defendant falsely stated that he had invented said instrument; that he was the original, first and sole inventor thereof; that he did not know and did not believe that the same was ever known or used before his alleged invention or discovery thereof.

"12. That said statements were false and untrue in that the defendant had misappropriated the knowledge obtained by him from plaintiff Oppenheimer during the course of his employment as machinist; that he had not invented said instrument; that he was neither the original nor the first nor the sole inventor thereof; that he knew and believed that the same was known and used before his alleged invention or discovery thereof, namely, by the said plaintiff Oppenheimer, who to the knowledge of the defendant was the inventor thereof, and that defendant knew that all of his said statements were false and untrue."

It is alleged in behalf of the petitioner and not disputed, record page 3, paragraph 6, folios 4 and 5, that after the parties severed their business relations the respondents continued to manufacture instruments identical with the patent in suit and it is alleged in behalf of the petitioner that these instruments were made, used and sold in defiance of his rights. The sole issue as to Becher's right to an injunction is whether Becher or Oppenheimer is the original inventor of the subject matter of the Becher patent in suit. Claims 1 and 4 of the patent in suit are the only ones involved (Record, page 8).

The issues to be urged are:

1. Should the enforcement of the judgment in the State Court be enjoined because this State Court had no jurisdiction to try the issues raised by the complaint?

2. Is the petitioner entitled to the usual preliminary injunction in a patent case?

SUMMARY OF ARGUMENT.

1. The State Court had no jurisdiction in the premises.

The complaint on its face shows, paragraphs 9 to 12 inclusive, *that Oppenheimer and not Becher was the inventor of the subject matter of the Becher patent. Becher denies this, thereby raising an issue which the State Court proceeded to try and determine.* This issue is the dominant issue in the case and the only one which had to be decided. Clearly, under the rule laid down in *Pratt v. Paris Gas, Light & Coke Co.*, 168 U. S. 255, 259, quoted in part at page 76 of the record in the

prevailing opinion, and in view of the earlier case of *Oliver* v. *Rumford*, 109 U. S. 75 and the yet earlier case of Henry T. Slemmer's Appeal, 58 Penn., 162, it appears that the State Court had no jurisdiction in the premises. The reasoning of these cases fully supports the position taken by Judge Manton in his dissenting opinion found at page 80 of the record.

2. Is the petitioner entitled to the usual preliminary injunction in a patent case?

The petitioner claims that he is, for the reasons given by Judge Manton in the last paragraph of his dissenting opinion beginning at the bottom of page 84 of the record.

ARGUMENT.

POINT I.

The question of validity of the Becher patent in suit was fundamental and not incidental to the questions at issue between the parties and so dominates the situation and ousts the jurisdiction of the State Court.

Section 256 of the Judicial Code (U. S. C. Tit. 28, Sec. 371) reads in part as follows:

> "The jurisdiction vested in the Courts of the United States in the cases and proceedings hereinafter mentioned, shall be exclusive of the Courts of the several states: * * * 5. Of all cases arising under the patent right or copyright laws of the United States."

So the issue comes down to this: Was the State Court action a *patent case?* If it were, obviously the State

Court had no jurisdiction because the matter was one which is exclusively federal.

It is clear that State Courts may under certain circumstances pass on the validity of Letters Patent where the matter is incidental, such as where the matter of validity arises on an issue raised in the answer, as occurred in the *Pratt* v. *Paris Light* case above referred to. Such is not the case at bar. *In the case at bar the issue is affirmatively raised in the complaint.* Not only this, but according to the prevailing opinion, a decision by the State Courts *binds the parties as to validity.* The exact language of the Court is found at the top of page 77 and reads as follows:

> "It is true that a question of fact was decided which determines the invalidity of Becher's patent as between the parties and estops him upon that issue whenever it arises again between him and Oppenheimer."

This admission by the Court of Appeals seems to show conclusively that the matter is fundamental and not incidental. Robinson in his work on Patents, Vol. 3, page 21, section 865, states as follows:

> "Citizenship being the same, the State courts have sole cognizance of all actions based on contracts between the parties, whether to compel their performance, to rescind them, or to award damages for their violation. Actions for breach of warranty, for fraud, for royalties or purchase-money, and for the non-fulfilment of other collateral contracts, are also within their exclusive jurisdiction. In such actions the validity of the patent, and consequently the existence of the monopoly, may be disputed and incidentally decided as preliminary to some point in issue, and thus the court may pass upon the same matters as are involved in cases arising under the Patent Laws; *but upon these the judgment has no effect*

> *even between the parties, and the same questions are still open in any other litigation in which they may engage.*" (Italics added.)

This Court seemed to have ruled to the same effect in the case of *Oliver* v. *Rumford,* above cited, and from which we quote:

> "Moreover, the present suit is one in a court of the United States, brought under the provisions of an act of congress, for the infringement of letters patent. The former suit arose out of a contract between Morgan and Oliver, Finnie & Co., and was brought to recover damages for the breach of that contract. Under these circumstances, the question as to the rights of Morgan under the patent must be regarded as one to be passed upon in this suit as an original question, as if there had been no former suit. Giving to the opinion of the supreme court of Tennessee that consideration which is due to the force of reasoning in the views which it announces, we are unable to concur in the construction it gave to the license to Morgan. Accordingly, the judgment of the circuit court is reversed, with direction to award a new trial."

Such also seems to be the view of the highest Court of Pennsylvania in Slemmer's Appeal above cited. From this we quote:

> "If, then, there could be gathered from the proofs in this case a contract or trust of this patent for the benefit of the plaintiffs, the want of jurisdiction of the court would not be in the way. The plaintiffs do not attack the patent: they admit its validity. *But the difficulty of the case is that they claim a trust or ownership on grounds which, if true in fact, show that the patent is void in law.* The question is directly involved who was the true and original inventor, and necessarily,

therefore, the validity of the patent. The plaintiffs claim that they are joint inventors with the defendant. 'A joint invention,' says Mr. Curtis, 'may be a good subject-matter of a patent; for the statute supposes the case of a joint invention, and provides for it; but if an invention, which in point of fact was made by more than one person, is made the subject of a patent by any one of them, he cannot take the oath required by the statute, declaring himself to be the original and first inventor, or if he does take it, his patent will be void.' Curtis on patents, sect. 112. In this he is sustained by the authorities: *Barett* v. *Hall*, 1 Mason 472; *Stearns* v. *Barett*, 1 Pick. 446; *Moffat* v. *Soby*, 2 Paine 103; *Hotchkiss* v. *Greenwood*, 4 McLean 461, *Ransom* v. *Mayor, etc. of New York*, Laws Dig. 458; *Potter* v. *Wilson*, Ibid. 454. It is true that these are all cases, in which a joint patent taken out on the sole invention of one, was held to be void. But the logic, which requires the correlative proposition to be affirmed, is inexorable. The object of the law is to secure to inventors the benefits of their inventions or discoveries. If the invention is as it may be, joint, the object is as much frustrated, if not more so, in the one case as the other. The patentee is not a trustee for the true inventor, either in whole or in part. The true inventor has never been allowed to claim the benefit of a patent granted to one who had stolen the invention from him. It would be contrary to the whole policy as well as the express provisions of the system. Whatever might be the case, where there appeared to be a contract or trust resulting from the understanding of the parties or the relation of the original inventor to others, *a court of equity cannot decree an assignment of a patent on the ground that the patentee is not, but the plaintiff is the true original inventor, in whole or in part. Besides which, for a state court to decide directly that A. is not the sole original*

> ***inventor, but that A. and B. are jointly the inventors and so entitled to the patent; and to decree an assignment or grant an injunction accordingly would be to usurp the jurisdiction which has been exclusively vested, as we have seen, in the courts of the United States.*** (Italics added.)

In the case at bar, Becher had a patent. In the *Slemmer* case there was a patent which had issued. This is altogether different from a case where there was no patent in existence at the time the bill of complaint was filed and at the time when the answer was filed and the rights of the parties were entirely independent of the patent. Such was the case in *Irving Iron Works* v. *Kerlow Steel Flooring Company*, and others, 126 Atl. 291, New Jersey Equity 702 cited by the Court below at page 79 of the record. This Court also cited at this place the *Smith* v. *Webster* case, 87 Conn. 74. From this, we quote the quotation being taken from the end of the opinion at page 84:

> ***"While the State Court cannot directly pass upon the validity of the patent,*** it can, in an action of this kind, pass upon the question of whether Smith or Webster first originated the improvement, and upon finding that fact in favor of the plaintiff, may restrain the defendant from assigning the patent to a third person, as a mode of protecting the plaintiff against an additional threatened injury" (Italics added.)

It seems to us that this finding is somewhat inconsistent on its face. If a State Court can pass on the question of who is the original, first and sole inventor of the subject matter of a patent as between two parties, it is deciding a Patent Office interference which the opinion says it cannot "directly" do. It is also deciding the validity of the patent which it cannot "di-

rectly" do. It granted, in this case, the full relief which it might have granted if it had full and complete jurisdiction. We differ with this citation and we submit that it is unsound. *The correct procedure is to let the matter of originality be settled in a Patent Office interference and this should be followed, where the defeated party has a patent, by a suitable suit for cancellation,* all of which is provided for in the patent statutes. For a State Court to presume to decide such matters and thereby oust the jurisdiction of the Federal tribunals is, we believe, unseemly and improper.

We ignore the copyright cases, cited after the foregoing, as irrelevant. The issue of originality of a patentable invention does not arise in a copyright case.

The issue at bar is not one of granting relief. Of course, where a gross wrong has been committed as to the originality of an invention, relief should be given. *The question is, where should relief be given and what kind?* Our contention is, upon the authorities above cited, that where the validity of a patent is not involved directly and affirmatively upon the complaint in the State Court, the case may with propriety be decided in the State Court, but where the validity or invalidity of a patent is directly involved, because the issue is raised affirmatively on the face of the complaint, and must be decided before any other issue can be decided, the matter is exclusively one for the Federal Courts and tribunals, as above pointed out, and we believe that the weight of authority supports this contention.

The prevailing opinion states at page 76 as follows:

> "The only question is whether the undoubted jurisdiction of the State court to compel a wrongdoer to account is divested because the *incidental* result will be to establish a fact between the parties which affects the validity of a patent. * * * But it [the invalidity of Becher's patent] appears only incidentally and as an element of the plaintiff's proof." (Italics added.)

The invalidity of the patent being held to be incidental, the question arises, incidental to what? The complaint and the cases cited show that it was treated *as collateral to the tort.* Let us suppose Becher to have been as fraudulent and malicious as alleged. The wrong already complained of by Oppenheimer is merely aggravated. The offense on which all depends is whether or not Becher appropriated an idea which was not his and took out a patent for it to the injury of Oppenheimer. And conversely, supposing Becher to have acted innocently in the appropriation, the wrong still remains. *The wrong then, existing in either case, the issue between the parties is not the breach of confidence on the part of Becher but the question of validity of a patent.* Over such questions the jurisdiction of the Federal Courts is undoubtedly exclusive and the State Court had no jurisdiction. The issue of validity is fundamental and not incidental.

POINT II.

The petitioner is entitled to a preliminary injunction.

The reasons for this are very ably stated by Judge Manton in the dissenting opinion found at the bottom of page 84 of the record and we rely on what he says there in support of our contention.

Conclusion.

The conclusion of the entire matter is that the State Court was utterly without jurisdiction to pass on the issue of validity of the Becher patent, the only substantial issue in the case, and so its judgment is null and void and under the peculiar circumstances

of this case, this patent should be held valid and infringed and the title in Becher and therefore, this petitioner should have the relief prayed for, to wit, an injunction restraining further enforcement of the judgment obtained in the State Court and a preliminary injunction restraining the further infringement of claims 1 and 4 of the patent in suit.

Respectfully submitted,

O. Ellery Edwards,
Solicitor for Petitioner.

Dated New York, February 15, 1929.

APPENDIX.

United States Code, Title 35, Patents.

SEC. 52. Interferences; determination of priority; issue of patent. Whenever an application is made for a patent which, in the opinion of the commissioner, would interfere with any pending application, or with any unexpired patent, he shall give notice thereof to the applicants, or applicant and patentee, as the case may be, and shall direct the primary examiner to proceed to determine the question of priority of invention. And the commissioner may issue a patent to the party who is adjudged the prior inventor, unless the adverse party appeals from the decision of the primary examiner, within such time, not less than twenty days, as the commissioner shall prescribe. (R. S. Sec. 4904; Mar. 2, 1927, c. 273, Sec. 4, 44 Stat.)

SEC. 57. Appeals; from primary examiners to (board of appeals). Every applicant for a patent or for the reissue of a patent, any of the claims of which have been twice rejected, and every party to an interference, may appeal from the decision of the primary examiner, or of the examiner in charge of interferences in such case, to the board of appeals; having once paid the fee for such appeal. (R. S. Sec. 4909; Mar. 2, 1927, c. 273, sec. 5, 44 Stat.)

SEC. 59a. Same; from board of appeals. If any applicant is dissatisfied with the decision of the board of appeals, he may appeal to the Court of Appeals of the District of Columbia, in which case he waives his right to proceed under section 4915 of the Revised Statutes. If any party to an interference is dissatisfied with the decision of the board of appeals, he may appeal to the Court of Appeals of the District of Col-

umbia, provided that such appeal shall be dismissed if any adverse party to such interference shall, within twenty days after the appellant shall have filed notice of appeal according to section 4912 of the Revised Statutes, file notice with the Commissioner of Patents that he elects to have all further proceedings conducted as provided in section 4915 of the Revised Statutes. Thereupon the appellant shall have thirty days thereafter within which to file a bill in equity under said section 4915, in default of which the decisions appealed from shall govern the further proceedings in the case. If the appellant shall file such bill within said thirty days and shall file due proof thereof with the Commissioner of Patents, the issue of a patent to the party awarded priority by said board of appeals shall be withheld pending the final determination of said proceeding under said section 4915. (R. S. sec. 4911; Mar. 2, 1927, c. 273, sec. 8, 44 Stat.)

SEC. 63. Bill in equity to obtain patent. Whenever a patent on application is refused by the Commissioner of Patents, the applicant, unless appeal has been taken from the decision of the board of appeals to the Court of Appeals of the District of Columbia, and such appeal is pending or has been decided, in which case no action may be brought under this section, may have remedy by bill in equity, if filed within six months after such refusal; and the court having cognizance thereof, on notice to adverse parties, and other due proceedings had, may adjudge that such applicant is entitled, according to law, to receive a patent for his invention, as specified in his claim, or for any part thereof, as the facts in the case may appear. And such adjudication, if it be in favor of the right of the applicant, shall authorize the commissioner to issue such patent on the applicant filing in the Patent Office

a copy of the adjudication and otherwise complying with the requirements of law. In all cases where there is no opposing party a copy of the bill shall be served on the commissioner; and all the expenses of the proceedings shall be paid by the applicant, whether the final decision is in his favor or not. In all suits brought hereunder where there are adverse parties the record in the Patent Office shall be admitted in whole or in part, on motion of either party, subject to such terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court may impose, without prejudice, however, to the right of the parties to take further testimony. The testimony and exhibits, or parts thereof, of the record in the Patent Office when admitted shall have the same force and effect as if originally taken and produced in the suit. (R. S., sec. 4915; Mar. 2, 1927, c. 273, sec. 11, 44 Stat.)

SEC. 66. Interfering patents; relief against. Whenever there are interfering patents, any person interested in any one of them, or in the working of the invention claimed under either of them, may have relief against the interfering patentee, and all parties interested under him, by suit in equity against the owners of the interfering patent; and the court, on notice to adverse parties, and other due proceedings had according to the course of equity, may adjudge and declare either or both of the patents void in whole or in part, upon any ground, or inoperative, or invalid in any particular part of the United States, according to the interest of the parties in the patent or the invention patented. But no such judgment or adjudication shall affect the right of any person except the parties to the suit and those deriving title under them subsequent to the rendition of such judgment. (R. S. sec. 4918; Mar. 2, 1927, c. 273, sec. 12, 44 Stat.)

SEC. 70. Power of courts to grant injunctions and estimate damages; assessment of damages and profits; increase of damages; limitation on recovery of damages or profits; notice to commissioner of suits filed and decrees rendered.—The several courts vested with jurisdiction of cases arising under the patent laws shall have power to grant injunctions according to the course and principles of courts of equity, to prevent the violation of any right secured by patent; on such terms as the court may deem reasonable; and upon a decree being rendered in any certain case for an infringement the complainant shall be entitled to recover, in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained thereby, and the court shall assess the same or cause the same to be assessed under its direction. If on the proofs it shall appear that the complainant has suffered damage from the infringement or that the defendant has realized profits therefrom to which the complainant is justly entitled, but that such damages or profits are not susceptible of calculation and determination with reasonable certainty, the court may, on evidence tending to establish the same, in its discretion, receive opinion or expert testimony, which is hereby declared to be competent and admissible, subject to the general rules of evidence applicable to this character of testimony; and upon such evidence and all other evidence in the record the court may adjudge and decree the payment by the defendant to the complainant of a reasonable sum as profits or general damages for the infringement. The court shall have the same power to increase such damages, in its discretion, as is given to increase the damages found by verdicts in actions in the nature of actions of trespass upon the case; but in any suit or action brought for the infringement of any patent there shall be no recovery of profits or damages for any in-

fringement permitted more than six years before the filing of the bill of complaint or the issuing of the writ in such suit or action. And it shall be the duty of the clerks of such courts within one month after the filing of any action, suit, or proceeding arising under the patent laws to give notice thereof in writing to the Commissioner of Patents, setting forth in order so far as known the names and addresses of the litigants, names of the inventors, and the designating number or numbers of the patent or patents upon which the action, suit, or proceeding has been brought, and in the event any other patent or patents be subsequently included in the action, suit, or proceeding by amendment, answer, cross bill, or other pleading, the clerk shall give like notice thereof to the Commissioner of Patents, and within one month after the decision is rendered or a decree issued the clerk of the court shall give notice thereof to the Commissioner of Patents, and it shall be the duty of the Commissioner of Patents on receipt of such notice forthwith to endorse the same upon the file wrapper of the said patent or patents and to incorporate the same as a part of the contents of said file or file wrapper; and for each notice required to be furnished the Commissioner of Patents in compliance herewith a fee 50c. shall be taxed by the clerk as costs of suit. (R. S., sec. 4921; Mar. 3, 1897, c. 391, sec. 6, 29 Stat. 694; Feb. 18, 1922, c. 58, sec. 8, 42 Stat. 392.)

Office Supreme Court, U.S.
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In the Supreme Court of the United States.

OCTOBER TERM—1928.

EDWARD BECHER,
Petitioner,
against
CONTOURE LABORATORIES, INC., and HERBERT OPPENHEIMER,
Respondents.

559

BRIEF FOR RESPONDENTS.

Petition for a writ of Certiorari to the United States Circuit Court of Appeals for the Second Circuit. The decision sought to be reviewed dismisses petitioner's bill of complaint and affirms an order of the District Court denying a preliminary injunction

The facts are reviewed in the majority opinion of Swan, C. J., in the Circuit Court of Appeals (Rec., pp. 114-16). A more detailed statement of the transactions and negotiations between the parties appears in the record (pp. 35-69, 75-82).

POINT I.

The parties are not in dispute as to the law applicable to the point of which petitioner seeks a review.

Petitioner makes no pretense that there is any doubt as to the law applicable. On the contrary, he points

out that the law to be applied is stated in *Pratt* vs. *Paris Gas Light & Coke Co.*, 168 U. S. 255, 259.

We agree that the principles of law set forth in that case govern the situation here.

The rule thus announced has been applied by both the Federal and the State Courts on innumerable occasions.

> *New Marshall Engine Company* vs. *Marshall Engine Co.*, 223 U. S. 473;
> *Tuckett* vs. *Delpark*, 270 U. S. 496;
> *Binney* v. *Annan*, 107 Mass. 94;
> *Annin* vs. *Wren*, 44 Hun. (N. Y.) 352;
> *Underhill* vs. *Schenck*, 238, N. Y. 7;
> *Hoit* vs. *Bates*, 81 Fed. 641;
> *Hanson* v. *Hall*, 190 N. W. (Iowa) 967;
> *Gator* v. *Welder*, 10 How. 477;
> *Harteel* v. *Tilghman*, 99 U. S. 547.

The test of the Pratt case, here accepted by both parties, is stated by this Court as follows:

> "There is a clear distinction between a case and a question arising under the patent laws. The former arises when the plaintiff in his opening pleading—be it bill, complaint or declaration—sets up a right under the patent laws as ground for a recovery."
>
> (The above is part of what is quoted in the petition, page 2, as the basis of the argument.)

Now the complaint in the State Court will be examined in vain for any reference by Oppenheimer to a "right under the patent laws as ground for a recovery." The gist of that complaint is contained in paragraphs

"6", "9" and "10" (Rec., pp. 18 and 19). The parties *agreed*, as there alleged:

> "that the defendant as a machinist would from time to time do certain work for the said plaintiff Oppenheimer under the instruction and direction of said plaintiff, for the purpose of making models to be used in application by said plaintiff for Letters Patent, for which said plaintiff agreed to pay the defendant, and the defendant would keep secret and confidential such information and knowledge as he would obtain from said plaintiff in the course of such instruction and direction by said plaintiff and in the course of the services rendered and work done by the defendant as a machinist in that connection."

In breach of this agreement to keep the information secret, Becher used the knowledge for his own purposes in obtaining Letters Patent, falsely alleging that he was the inventor (Pars. 9 & 10).

Oppenheimer's rights, as there alleged, arise exclusively out of that contract. He makes mention neither of any application on his own behalf for Letters Patent nor of any patent issued to him. He did not seek the aid of the Court to obtain any exclusive right to an invention. He sought only to prevent petitioner from continuing to appropriate to his own use the information imparted pursuant to the agreement to keep it secret.

> "Where a suit is brought on a contract of which a patent is the subject matter, the case arises out of the subject matter and not under the patent laws."

Harted vs. *Tilghman* (*supra*).

The discussion contained in the dissenting opinion in the Circuit Court of Appeals entirely omits from consideration this vital element of the cause of action in the State Court. It erroneously assumes that in the State Court Oppenheimer was required to establish the validity of Becher's patent and procure its assignment. That was not Oppenheimer's purpose. He sought merely to hold Becher to the duty imposed upon him by the agreement to keep the information secret and by the confidential relationship established by that agreement. Whether the breach of that duty sounds in tort or in assumpsit can make no difference. The remedy is the same in either instance.

The petition departs from the facts which must here be assumed to be true. It depends (paragraphs "3", "5" and "6") on the statement that it was Becher who disclosed to Oppenheimer the invention and not Oppenheimer who disclosed it to Becher. If that were true, it would mean merely that Oppenheimer failed to establish Becher's agreement to keep secret. But in the State Court it is alleged and the Court found that such an agreement was actually made and that Oppenheimer was the one who made the disclosure relying upon that agreement.

In a word, the dispute is as to the facts and not as to the law.

POINT II.

A consideration of the point raised by petitioner would be idle, for other obstacles to the issuance of an injunction exist which he cannot overcome.

For the purpose of this discussion, we may assume that the State Court did not have jurisdiction over the

subject of the action therein involved. Petitioner would, nevertheless, not be entitled to an injunction.

The obstacles to an injunction are: (a) Except in circumstances not here present, the lower Federal Courts have no power to enjoin proceedings pursuant to a judgment recovered in a State Court; and (b) The question whether the State Court had jurisdiction has already been submitted by Becher to the State Court and has been determined by it; Becher has the right there to appeal and has actually appealed.

A.

Generally speaking, lower Federal Courts have no power to stay proceedings in a State Court (Judicial Code, Section 265). There are, however, two situations in which the power to stay has been exercised and countenanced by this Court. The power has been restricted to those two instances.

The first is in the case of a judgment recovered upon alleged service of process, which service is void.

> *Essenay Film Mfg. Co.* v. *Kane*, 258 U. S. 358;
> *Ex parte Simon*, 208 U. S. 144;
> *Simon* v. *So. Ry. Co.*, 236 U. S. 115.

It is necessary to distinguish such situations involving *jurisdiction over the person* from cases in which *jurisdiction over the subject matter* is involved.

Where *jurisdiction over the person* is falsely asserted, the judgment recovered is absolutely void, for defendant never was before the Court which rendered the judgment. Where *jurisdiction over the subject matter* is concerned, he Court had power to hear the parties. Its determination that there was jurisdiction over the subject matter may be an error of law, but it does not

make void the judgment which was rendered. The remedy is by appeal.

There can never be an injunction because "the State Court erred in the application of the law."

Wagner v. *Lyndon*, 282 Fed. 219.

The other instance is restricted to actions or proceedings *in rem*, that is, where before the commencement of the action in the State Court, the Federal Court has obtained possession of the *res*. Whether such possession was obtained by attachment or receivership, or other similar process, the Court first obtaining possession refuses to relinquish such possession to any other Court.

Kline v. *Beck*, 260 U. S. 226.

There is no pretense that there here exists either lack of jurisdiction *over the person* of the defendant or the possession by the State Court of any *res* claimed to be in possession of the Federal Courts.

B.

Having presented to the State Court for decision the question whether it had jurisdiction over the subject of the action, Becher is bound by the decision of that Court.

The remedy of petitioner is by appeal in the State Court from the judgment there rendered.

Iron Bonding and Surety Co. v. *Karatz*, 262 U. S. 77, at p. 90;

Essenay Film Mfg. Co. v. *Kane*, 262 Fed. 959.

Assuming, however, that Becher might proceed in the same manner as if the question involved were jurisdiction over the person of the defendant, he was required to elect, when served with process in the State

Court, between two procedures. Either he must allow a judgment by default and then attack it in the Federal Court or other Court; or he must appear and test out the question of jurisdiction in the same action. If he chose the latter procedure, *i. e.*, to litigate in the State Court, he is bound by the decision made.

> *Cherry* v. *Insurance Co.*, 244 U. S. 25;
> *Moch* v. *Virginia, etc. Insurance Co.*, 10 Fed. 696.

The doctrine of *res adjudicata* applies to issues of law as well as to issues of fact.

> *Jonnes* v. *Lamborn*, 237 N. Y. 207 (Cardozo, J.).

Becher's commencement of the present action amounts to taking an appeal from the State Court directly to the Federal Court, in addition to the appeal already pending in the State Court.

POINT III.

The application should be denied.

Respectfully submitted,

MOERS & ROSENSCHEIN,
ROBERT MOERS,
CHARLES S. ROSENSCHEIN,
Counsel for Respondents.

FILED
MAR 30
CHARLES ELMORE

Supreme Court of the United States

OCTOBER TERM—1928.

No. 559.

EDWARD BECHER,

Petitioner,

against

CONTOURE LABORATORIES, INC., AND HERBERT OPPENHEIMER,

Respondents.

RESPONDENTS' BRIEF.

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PRESS OF FREMONT PAYNE, NEW YORK CITY

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Supreme Court of the United States

OCTOBER TERM—1928.

EDWARD BECHER, Petitioner, against CONTOURE LABORATORIES, INC., and HERBERT OPPENHEIMER, Respondents.	No. 559.

RESPONDENTS' BRIEF.

Certiorari to the United States Circuit Court of Appeals for the Second Circuit.

Reported in 29 F. (2d) 31.

The decree under review affirms an order of the District Court for the Southern District of New York with directions to dismiss the bill of complaint (R. 85). The order of the District Court denied application made by petitioner for a preliminary injunction restraining respondents from enforcing a judgment against the petitioner recovered by them in the State Court and restraining infringement of certain Letters Patent (R. 67).

The State Court action was brought by these respondents against this petitioner. The relief sought was an injunction restraining petitioner from making use of information obtained by him from Oppenheimer pursuant to an agreement in which he undertook to keep secret and confidential the details of an invention of Oppenheimer; further that he be declared a trustee ex maleficio of the invention and be restrained from using or disposing of instruments embodying it.

Statement of the Case.

We accept the petitioner's statement of the case except in two particulars:

(1) the matter on page 8 following the first sentence is argument rather than statement; and

(2) the statement omits reference to the proceedings had in the State Court, to wit:

The State Court action was commenced by these respondents as plaintiffs against petitioner as defendant by personal service of the summons and complaint, accompanied by an application for injunction pendente lite (R. 46). Petitioner not only opposed the application for injunction on the merits, but affirmatively moved to dismiss the complaint for lack of jurisdiction in the State Court (R. 46). The injunction was granted; the motion to dismiss denied (R. 47). Petitioner answered and trial was had on the merits (R. 48). Judgment followed in favor of respondents based upon findings made by the Court (R. 48). Appeal therefrom taken by petitioner is pending in the State Court and undetermined (Statement contained in Petitioner's Brief below).

Summary of Argument.

1. The State Court had jurisdiction over the action for the reason that the plaintiffs there did not assert any right by virtue of any patent or patent application, nor any right under the Patent Laws, but relied entirely upon a breach of trust arising out of a contract or relation between the parties and governed entirely by principles of equity.

2. The remedy of petitioner after recovery against him in the State Court was by appeal from the judgment. He had already presented to the State Court for determination the question of jurisdiction over the subject of the

action and is estopped from attempting to adjudicate it again.

3. The Federal Courts, other than the Supreme Court, are without power to enjoin proceedings in the State Court, except in a limited class of cases, to which the present one does not belong.

4. The proof before the District Court would not have justified an injunction in advance of trial, because the facts established by respondents, apart from the findings of the State Court, overwhelmingly showed that petitioner had misappropriated Oppenheimer's invention.

Failure to Comply with Rules 12 (1) and 27 (2C).

Petitioner points out the statutes which he says give jurisdiction over the action to the District Court. But he makes no attempt to disclose the basis for jurisdiction in this court.

ARGUMENT.

POINT I.

The State Court had jurisdiction because the cause of action arose not out of any right given by the patent laws, but out of a contract or a relationship between the parties governed by ordinary principles of equity.

The question presented is well defined at the Circuit Court by Swan, C. J. (R. 75):

> "The complaint in the State suit alleged and the Court found, that Becher had agreed to keep secret and confidential such information as Oppenheimer gave him concerning his massaging instrument; and that in violation of this agreement and of the confi-

dential relationship between the parties, Becher embodied this information in his application for a patent. * * *

The only question is whether the undoubted jurisdiction of the State Court to compel a wrongdoer to account is divested because the incidental result will be to establish a fact between the parties which affects the validity of a patent."

Nature of the Remedy Sought in the State Court.

If Becher and Oppenheimer were utter strangers, there would be no dispute about the proper remedy. The only rights then involved would be Letters Patent. The question would be who was the first and original inventor. There would be no dispute about the method of and place for determination of the question. It would have to be an interference in the Patent Office. But here Becher and Oppenheimer were not strangers. There existed between them a contract and a relationship of trust and confidence. There is nothing in the patent laws which governs either the rights or remedies arising out of such a contract or such a relationship of trust and confidence. The rules of common law and the principles of equity determine the rights and remedies of the parties. While such contract and relationship could not take away the remedy afforded by the patent laws by way of an interference, they could furnish an additional remedy in accordance with the rules of the common law and the principles of equity.

> "The party who brings suit is 'master to decide what law he will rely upon.'"
>
> *Odell* v. *Farnscorth*, 250 U. S. 501, 503.

To the same effect:

> *Luckett* v. *Delpark*, 270 U. S. 496, 508;
>
> *Healy* v. *Sea Gull Specialty Co.*, 237 U. S. 479, 480.

Now what were the remedies of Oppenheimer in this instance? Two courses were open to him. He might proceed under the patent laws by interference and bring about a determination that Becher's patent was void because Becher was not the inventor. On the other hand, he might bring an action in the State Court relying upon the breach by Becher of the contract to keep secret, or upon the breach of his duty (arising out of the relationship) not to use for his own benefit the information secretly imparted. The distinction in basic theory between these two methods of procedure is this: In the State Court Oppenheimer relied entirely upon the contract and the relationship. He asked that equity prevent Becher from making use of the information misappropriated, and from continuing to exercise any right to such advantages as he had already gained by using the information. On the contrary, in the interference, Oppenheimer's position would be merely that he and not Becher was the first inventor of the instrument and that Becher's patent was, therefore, invalid.

It is true that in the interference, in order to establish that Oppenheimer and not Becher was the first inventor, Oppenheimer would give evidence of the misappropriation by Becher. But the only purpose of such evidence would be to establish who was the first inventor. In the State Court, the purpose of the evidence was to establish the contract or relationship and the breach thereof. In the interference, it would make no difference whether Becher had any duty toward Oppenheimer. They might be strangers and yet Oppenheimer might be declared the first inventor. In the State Court, if they were strangers, there would be an end to the action. The whole basis of the State Court suit is that there existed this contract and this relationship and the consequent duty upon Becher forbidding him to use the secret information. In a word, the State Court action relies wholly upon Becher's breach of trust.

This distinction as to remedy was applied to an analogous situation by this court as recently as 1926.

Luckett v. *Delpark*, 270 U. S. 496.

There it was pointed out that the complainant had two methods of procedure. He owned letters patent and had given a license to the defendant. The defendant had breached the license agreement to the extent that complainant might declare a forfeiture. Luckett had a choice. He could bring an action in the Federal Court under the patent laws for infringement, alleging that without the benefit of any decree, he, Luckett, had elected to rescind the license agreement for breach thereof by defendant. On the other hand, he might bring an action in the State Court asking the Court to decree that there was a forfeiture of the license agreement for breach thereof by defendant, and as a consequence, procure an injunction against continued use by defendant of the patented article.

Luckett chose the latter remedy, i. e. an action asking for a decree rescinding the license agreement. But he erred in bringing the action in the Federal Court, whose jurisdiction he attempted to sustain on the ground that it was an action under the patent laws. In determining that the action was not under the patent laws and that it should have been brought in the State Court, this Court said (opinion by the Chief Justice at p. 510):

> "The result of these cases is that a federal district court is held to have jurisdiction of a suit by a patentee for an injunction against infringement and for profits and damages, even though, in anticipation of a defense of a license or authority to use the patent, the complainant includes in his bill averments intended to defeat such a defense. * * * But * * * where a patentee complainant makes his suit one for recovery of royalties under a contract of license or assignment,

or for damages for a breach of its covenants, or for a specific performance thereof, or asks the aid of the court in declaring a forfeiture of the license or in restoring an unclouded title to the patent, he does not give the Federal district court jurisdiction of the cause as one arising under the patent laws. Nor may he confer it in such a case by adding to his bill an averment that after the forfeiture shall be declared, or the title to the patent shall be restored, he fears the defendant will infringe and therefore asks an injunction to prevent it. That was Wilson v. Sandford. *If in that case the patentee complainant had based his action on his patent right and had sued for infringement, and by anticipation of the defense of an assignment had alleged a forfeiture by his own declaration without seeking aid of the court, jurisdiction under the patent laws would have attached, and he would have had to meet the claim by the defendant that forfeiture of the license or assignment and restoration of title could not be had except by a decree of a court, which if sustained, would have defeated his prayer for an injunction on the merits. But, when the patentee exercises his choice and bases his action on the contract and seeks remedies thereunder, he may not give the case a double aspect, so to speak, and make it a patent case conditioned on his securing equitable relief as to the contract.* That is the principle settled by Wilson v. Sandford and is still the law."*

So here, if Oppenheimer had asked the Court to declare Becher's patent invalid, he would be remitted to such remedy as the patent laws allow. But he chose instead to hold Becher to his duty arising out of the contract or relationship between them. It may be that the result of a finding that Becher had such a duty would be to make his

*Italics throughout brief ours.

patent invalid, but that is a result incidentally flowing from a judgment which established only a contract or relationship between the parties and a breach of duty or trust thereunder.

The principles of the Luckett case were earlier applied to a copyright case by Chief Judge Cardozo in *Underhill v. Schenck*, 238 N. Y. 7, 14:

> "The author who suffers infringement of his copyright at the hands of a licensee, may count upon the infringement as a tort, and seek redress under the statute by action in the federal courts. But that is not in all circumstances the only remedy available. If the same act is not merely an invasion of the statutory right of property, but is also the breach of a contract or the abuse of a relation, he may count upon the breach or the abuse, and have relief accordingly. When this is the ground of action, the courts of the state are not shorn of their competence (cases cited). All depends upon the nature of the right to be enforced or the wrong to be redressed."

See also:

> Hoyt v. Bates, 81 Fed. 641.

Three cases are directly on the question. In *Irving Iron Works v. Kerlow Steel Flooring Co.*, 126 Atl. 291 (N. J.), defendants, after they left the employ of the plaintiff, made application for letters patent upon a design of the plaintiff. In holding that no rights were sought under the patent laws in an action to restrain the defendants from using the design, the Court said, page 292:

> "It is argued, however, that the defendants, before bill filed, had applied for a patent on this design and that pending the litigation this patent had been granted, and that these facts turn the controversy into

> a patent litigation, cognizable only in the federal courts. No such issue appears to have been raised on the pleadings, and we agree with the Vice Chancellor in holding it irrelevant to the theory of the bill. That theory we understand to be, in substance, that the defendants, through their confidential relations with complainant, secured a design, its private property withheld presently from the public, and have undertaken to patent it as their own; that in so doing they are trustees ex maleficio, and as such accountable for illicit profits, and to be restrained by injunction from further use of complainant's property. No patent rights, as such, are here involved. What is involved is a trust arising by operation of law."

In attempting to distinguish this New Jersey case petitioner points out in his brief (p. 13) that there was there no patent in existence. But an application for patent was pending when the action was commenced and a patent actually issued during its pendency. If the absence of a patent at the commencement of action was really important, then the case demonstrates that it is not the issuance of the patent to Becher upon which the cause of action in the State Court depends.

In *Smith & Egge* v. *Webster*, 87 Conn. 74, an ex-employee carried away a model belonging to plaintiff and applied for a patent. It was determined that the State Court could hold him to account and the Court said, page 84:

> "While the State Court cannot directly pass upon the validity of the patent, it can, in an action of this kind, pass upon the question whether Smith or Webster first originated the improvement, and, upon finding that fact in favor of the plaintiff, may restrain the defendant from assigning the patent to a third person, as a mode of protecting the plaintiff against an additional threatened injury."

The remaining case, *Murjahn* v. *Hall*, 119 Fed. 186, is a decision by Townsend, C. J. (S. D. N. Y.) There complainant invented a water paint. Defendant was a large user. To induce complainant to disclose the ingredients of this product, the defendant represented that the plaintiff would not be deprived of the benefit of the invention, that defendant would make large purchases from complainant and would not disclose the invention to others. Immediately after learning the ingredients, the defendant applied for and procured a patent and threatened to sue others who began to use the same thereafter. The plaintiff brought an action for an injunction and an accounting. The Court said, page 188:

> "Upon the facts submitted on demurrer in the case at bar, complainant had made an invention which he might legally keep secret, and then secure the benefits to himself. Defendant obtained its disclosure by the representation that such disclosure would not deprive the complainant of the benefit of the invention, and that defendant would not disclose it to others, and would be a large purchaser of the paint; and, having learned it, he proceeded to use it to complainant's disadvantage and make large profits thereby. Upon those facts complainant should be entitled to an accounting and an injunction."

(The report of this case does not disclose the ground of federal jurisdiction. The filed papers show the complainant to have been a resident of Pennsylvania. The ground of jurisdiction would therefore appear to be diversity of citizenship.)

The basic theory of the rights of an inventor throws much light upon the nature of the action in the State Court. It is necessary to distinguish between the right which Oppenheimer had on the one hand to his invention and the right which he had on the other hand to apply for and obtain letters patent. The last named right, the

right to a patent, was not involved in the State Court action. All that Oppenheimer sought to protect was his common law right to the invention. Such right is well defined by Robinson in his "The Law of Patents," Vol. 3:

> "By the performance of an inventive act the inventor acquires a property in the invention which he thus creates, irrespective of its future protection by a patent. *This property vests in him by the law of nature,* * * * *The property which thus vests in him by the law of nature,* enlarged in its enjoyment by the provisions of our patent law, *is recognized as entitled to the same protection as any other form of property; and whether attacked by force or fraud,* his rights therein are vindicated by the courts, and the wrongs committed against them are adequately redressed." (Sec. 847, pp. 4-5.)
>
> "The issue of a patent confers on the inventor *additional* rights of extraordinary scope and value." (Sec. 848, p. 5.)
>
> "*As the rights of an inventor to his secret invention, and to a remedy for the wrongs by which his property therein is injured, are not dependent upon the provisions of the Patent Law,* they exist equally whether the invention is or is not in its nature patentable. * * * But numerous products of inventive skill lie outside the field of those six classes of inventions which the Patent Law has undertaken to protect * * * he has the same redress as if the subject matter of his invention were entitled to the protection of a patent." (Sec. 873, p. 30.)

Now Oppenheimer did not ask that his "additional rights of extraordinary scope and value" be protected. He asked merely that the right given to him "by the law of nature" be enforced by the State Court. It so happens that one of the wrongs which Becher committed was to obtain letters patent. In enjoining him from use of the

secret information, it was necessary to restrain him from using the patent which had come to him in the course of his misappropriation.

The Complaint Alone Determines the Nature of the Action.

> "The party who brings suit is 'master to decide what law he will rely upon,' and the allegations of his bill are the evidence, or the expression, of his decision, upon which the Courts must act in determining the question of their jurisdiction. (Cases cited.)"
>
> *Odell* v. *Farnsworth*, 250 U. S. 501, 503.

To the same effect:

> *Pratt* v. *Paris Gas Light & Coke Co.*, 168 U. S. 255, 259.

In the present case the complaint in the State Court was based entirely upon contract. One of the terms of the agreement alleged (and found by the Court) was that Becher (R. 11),

> "would keep secret and confidential such information and knowledge as he would obtain from said plaintiff (Oppenheimer) in the course of such instruction and direction by said plaintiff and in the course of the services rendered and work done by the defendant (Becher) as a machinist in that connection."

The agreement to keep secret and confidential the information imparted is a covenant not to use the information for his own benefit as against Oppenheimer. Even if this covenant were implied instead of expressed, the situation would be the same.

> *Douse* v. *Federal Rubber Co.*, 254 Fed. 308;

Air Reduction Co. Inc. v. *Walker*, 118 N. Y. Misc. 827;
Meissner v. *Standard Railway Equipment Co.*, 211 Mo. 112;
Gill v. *U. S.*, 160 U. S. 426.

In the complaint there was no reference to any patent owned by Oppenheimer or any application for patent made by him, nor was there any mention of any right which he sought to exercise by virtue of the patent laws. The only mention of a patent is of the one obtained by Becher. The purpose in referring to it is to establish one of the acts committed by Becher in breach of his duty arising out of the contract or relationship between the parties.

Oppenheimer did not demand protection of any patent which he himself might be entitled to under the patent laws, but sought to prevent Becher from benefiting by his breach of trust.

As stated by Swan, C. J. (R. 79):

> "Oppenheimer is not asserting any right by reason of an application for a patent nor any right under the patent laws."

In fact the dissenting opinion described the complaint in the following terms (R. 81):

> "It alleged a fraudulent use of Oppenheimer's ideas."

Moreover Oppenheimer was not concerned with the effect upon Becher's patent. He did not demand any adjudication as to whether Becher's patent was valid or invalid.

The Interference was not an Obstacle to the State Court Action.

There are a number of reasons why the interference did not affect Oppenheimer's right in the State Court:

1. No reference to the interference was made in the complaint in the State Court. As already pointed out, it is the complaint that determines the nature of the action. If indeed the plaintiff stated a cause of action without reference to any interference, mention of it by the defendant in his answer in the State Court could not change the nature of the cause of action.

Pratt v. *Paris Light*, etc. (supra).

2. There was no interference in existence at the time when the State Court action was commenced. Suit was started on September 23rd, 1927 (R. 46). The interference was not declared until October 25th, 1927 (R. 18). It is the declaration of the interference by the Commissioner of Patents which constitutes its commencement.

Ewing v. *Fowler*, 244 U. S. 1.

3. But even if the interference already existed, it would not affect the right to bring an action in the State Court. The one, the interference, is an administrative act on the part of the Government; the other, the action in the State Court, is a judicial processling. The interference is not a judicial processling.

Ewing v. *Fowler* (supra);
U. S. v. *Robertson*, 6 Fed. 2d, 714;
Clements v. *Kirby*, 274 Fed. 575.

So little vitality has the interference that the rights of the parties may be adjudicated anew after the conclusion of the interference.

Hillard v. *Remington*, 186 Fed. 334;
Automatic Co. v. *White*, 145 Fed. 643.

4. *There is no inconsistency between the State Court suit and the interference.* The one has to do with the inherent right of an inventor to keep his invention secret, the other with the right of an inventor to the additional rights granted by the patent laws.

Concerning Petitioner's Brief.

1. Most of petitioner's argument concerns not the jurisdiction of the State Court over the subject of action, but rather the effect of the judgment rendered upon the validity of the patent (Pet. Brief, pp. 10-11). The *effect* of the judgment does not determine whether the court had jurisdiction. The judgment may or may not finally cause the patent to be declared invalid but it does not contain any provision as to its validity.

2. Petitioner places reliance upon Harry T. Slemmer's appeal, 58 Penn. 155 (Pet. Brief, p. 9), but he fails to note what was decided in that case. He sets forth a quotation from it as if that were the judgment of the Court (Pet. Brief, p. 11). *On the contrary, the plaintiff was allowed a recovery in the State Court.* There four brothers named Schlemmer were engaged in the business of refining oil. The question presented was whether the plaintiffs had the right to use a refining process invented by Henry, the defendant. After discussing at length the right of the plaintiffs to an assignment of the patent obtained by Henry, the Court concludes that that question is not involved at all. The Court finally describes the situation as follows (p. 166):

> "The case indeed falls entirely within the principles established in *McClurg* v. *Kingsland*, 1 How. (S. C.), 202, in which it was held that if a person employed in the manufactory of another, while receiving wages, makes experiments at the expense of his employer,

constructs the article invented and permits his employer to use it, no compensation for the use being paid or demanded, and then obtains a patent, these facts will justify the presumption of a license to use the invention. * * * By accepting a license from the defendant the plaintiffs will be estopped from contesting the validity of his patent. They have not, however, alleged the invalidity of the patent, and it is therefore not inconsistent with the frame of the bill to decree that the defendant shall grant them a license."

The judgment of the Appellate State Court was:

"IT IS ORDERED AND DECREED that the defendant Henry T. Slemmer do execute and deliver to the plaintiffs jointly and severally a license to use the improvement in the manufacture of lubricating oil, the exclusive right to which was granted to him by letters patent from the United States, under the seal of the patent office, bearing date February 27th, 1866, for the term of years therein described, and for any extension or continuation of the said term."

In other words the State Court took jurisdiction and determined that plaintiffs were entitled to a license from the patentee.

Petitioner selects a quotation from the opinion apparently for the reason that it contains the statement plainly obiter, that (Pet. Brief, p. 12)

"The true inventor has never been allowed to claim the benefit of a patent granted to one who had stolen the invention from him."

Petitioner's discussion assumes that the judgment of the State Court grants Oppenheimer the benefit of the patent.

That is not so. Primarily it enjoins Becher from making use of the invention which he stole from Oppenheimer. As an incident it directs Becher to assign the patent so as to

> "restrain the defendant from assigning the patent to a third person, as a mode of protecting the plaintiff against an additional threatened injury." (*Smith* v. *Webster*, 87 Conn. 74, 84.)

If the State Court had jurisdiction to grant the injunctive relief recited in its judgment, the mere fact that it also provided for an assignment of the patent, which it might not have had power to do, would not defeat its jurisdiction. A judgment is not void because an error of law was committed in granting part of it. That concerns the right to reverse it on appeal, not its validity.

> *Baltimore S. S. Co.* v. *Phillips*, 274 U. S. 316, 325;
> *American Express Co.* v. *Mullins*, 212 U. S. 311.

And the provision of the judgment directing an assignment of patent here was a mere incident. It is one of the methods of preventing Becher from earning profit out of his fraud. In the absence of such a provision in the judgment, and in the absence of a formal assignment of the patent, the judgment would be just as effective to prevent use by Becher of the contrivance invented.

Perhaps for the purpose of formally extinguishing the patent which Becher holds, Oppenheimer may be required to take some proceedings in the Patent Office, but that is not a reason why Becher should meanwhile be allowed the benefit of his fraud.

In a word, the judgment of the State Court would take from Becher the muniments of title because in equity and good conscience he has no right thereto and because he has threatened to misuse the apparent right evidenced thereby.

3. Petitioner says he also relies upon *Oliver* v. *Rumford*, 109 U. S. 75 and *Pratt* v. *Paris Gas, Light & Coke Co.*, 168 U. S. 255, 259 (Pet. Brief, pp. 8-9).

In the first of these cases the only question involved was the construction of an assignment of patent. The Court determined that an assignment to A which failed to mention A's assigns or representatives did not pass to his estate upon the death of A.

In the Pratt case, the opinion clearly indicates that a cause of action like that of respondents is within the jurisdiction of the State Courts (see Opinion of Swan, C. J., R. 76).

4. On page 15 of his brief, petitioner puts the question:

> "The invalidity of the patent being held incidental, the question arises, incidental to what?"

The answer is this,—The invalidity of the patent is incidental to the judgment enjoining Becher from using and profiting by the secret information obtained from Oppenheimer.

In reaching the conclusion that Oppenheimer was entitled to an injunction, the Court incidentally found facts from which the conclusion arises that Becher's patent was invalid. It is apparent that the purpose was not to establish the invalidity of the patent. If it were possible for Oppenheimer to obtain the injunction and also an assignment of the patent and still assert the validity of the patent, he would indeed have something to be thankful for. For then without prosecuting his own application for patent he would have ready-made letters patent. He must be content, however, with an injunction against Becher and an assignment of patent for a limited purpose, namely, to prevent Becher from making use of it to Oppenheimer's disadvantage,—for example by his assigning it to numerous persons in various States whom Oppenheimer would then be put to suing.

5. Petitioner insists (Pet. Brief, pp. 8, 15) that the sole issue in the State Court was whether Oppenheimer or Becher was the inventor of the subject matter of the Becher patent. We have already pointed out that the main issue was whether there was a contract between the parties, providing that Becher was to keep secret and confidential the information imparted by Oppenheimer. After that contract was established and found, it became material to determine whether he breached the contract and the trust relationship created thereby. In determining whether there was a breach of trust, for the first time the question arises whether Oppenheimer was the inventor and Becher converted the invention. Even as to this issue, the ultimate fact which the Court was asked to find was whether there was a breach of trust. The evidence of it was the invention by Oppenheimer and the misappropriation by Becher.

Concerning Dissenting Opinion.

1. The dissenting opinion in the Circuit Court would dismiss from consideration the jurisdiction of the State Court by the fact that (R. 81):

> "the suit sounded in tort and not in assumpsit."

This makes no difference. The test is whether reliance is placed upon rules of the common law and principles of equity or upon the patent laws.

Robinson in his "The Law of Patents" devotes Chapter 2, of Vol. 3 to the jurisdiction of the State Court and clearly points out that it makes no difference whether the action be called one in tort or one upon contract. He says (Secs. 871-2, p. 28):

> "The rights of an inventor in a secret invention, confidentially communicated to others, are capable of

violation either on the part of those to whom it has never been disclosed by the inventor or on the part of those to whom he has entrusted it. * * * (p. 29). With reference to the second class of persons the invention, though no longer secret, is known only for certain definite purposes, within the scope of which their employment of their knowledge must be confined. Any use of their knowledge for a different purpose, and any communication of it to others beyond the limits of the authority conferred upon them by the inventor, *is a breach of trust*, and an invasion of the rights expressly or impliedly reserved to him in the disclosure through which their own knowledge of the invention was obtained.

The remedy for wrongs already committed against an inventor by persons entrusted with his secret is an action at law for damages **in the State Courts,** or, where citizenship confers the necessary jurisdiction, in the Federal Courts. *This action has been variously regarded as one of tort based on the fraud involved in the breach of trust or as one of contract on the express or implied agreement to respect the reserved rights of the inventor*, but in one form or the other adequate compensation is awarded for the injury sustained. Against a future and expected invasion of the inventor's rights equity will interpose an injunction, forbidding the unauthorized use of the knowledge of the defendant or his disclosure to others of the secret of the invention."

For a discussion concerning jurisdiction of the State Courts over tort actions involving patents see *Hanson* v. *Hall Mfg. Co.*, 190 N. W. 967, 968 (Iowa).

2. The chief difficulty with the dissenting opinion is that throughout its argument it assumes as true the facts as asserted by Becher. If that were so, it would mean

only that Becher would have a defense to the action in the State Court, not that the nature of the action was changed. The dissenting opinion fails to assume for the purpose of determining the jurisdiction of the State Court, that the nature of the case must be taken from the complaint alone and that the facts, contrary to the complaint or in defense of the cause of action, do not change the cause of action. That is the Pratt case, supra.

3. The dissenting opinion seeks to distinguish the Pratt case, by the statement that the litigation was not between the alleged patentee and the infringer directly (R. 83). But that was not the ground upon which this Court held that the State Court had jurisdiction. The ground of jurisdiction was that the complaint did not rest upon any right given by the patent law, but was an ordinary action for the price of a machine. It held that nothing that was set forth in the answer could change the nature of the action.

There can never be a situation in which Oppenheimer would make a claim to Becher's patent pursuant to any right given to him by the patent law. The only right given by the patent law is to declare Becher's patent invalid. That would not give Oppenheimer a right *to the patent*. It would simply give him a right to destroy it. In the State Court action, Oppenheimer did not seek to destroy the patent, and therefore sought no relief given to him by the patent law.

4. It may be that the erroneous conclusion reached by the dissenting opinion arose out of a misconception of the facts in the Luckett case. These are misstated in the dissenting opinion where it is said (R. 82):

> "That suit was an ordinary bill for specific performance to complete the assignment to complainant for an improvement of a patent in compliance with

> his covenant for further assurance, and it was held that the defendant there held the legal title as trustee for the complainant and that the State Court had jurisdiction to pass upon the ownership."

The facts in the Luckett case are entirely different. The action was brought to rescind a license agreement between the complainant and the defendant and to enjoin infringement after the rescission. It had nothing whatever to do with specific performance of any agreement to complete an assignment. The whole theory of the Luckett case must have been lost to the dissenting opinion in view of this misconception of the facts involved.

5. It is surprising to find that in the dissenting opinion, reliance is placed upon *Cheatham Electric Switching Device Co.* v. *Ky. Switch & Signal Co.*, 213 Ky. 23 (R. 84). The petitioner has apparently deserted that case as an authority in his favor. Such desertion is amply justified. There a counterclaim was interposed which was somewhat like the cause of action of Oppenheimer in the State Court here. (See discussion by Swan, C. J. R. 77.) But it was not the counterclaim which determined whether the State Court had jurisdiction. The petition of the plaintiff there presented a case under the patent laws and it was held that the action must be dismissed on that ground whatever the nature of the counterclaim. The Court said (p. 26):

> "In determining the question of jurisdiction, as is also consistently held by federal courts, the facts alleged in the initial pleading are to exclusively govern and which in this case is the petition. *Under that holding the question of jurisdiction may not be determined by defendant's counterclaim in this case.* And so, the question is: Whether plaintiff's petition shows the action to be 'a case' arising under the patent law so as to deprive the state court of jurisdiction?"

6. In support of the statement that the issue tried in the State Court should have been the subject of an interference in the Patent Office, the dissenting opinion cites three cases (R. 82).

> *New Marshall Engine* v. *Marshall Engine Co.*, 223 U. S. 473;
> *Excelsior Wooden Pipe Co.* v. *Pacific Bridge Co.*, 185 U. S. 282;
> *St. Paul Plough Works* v. *Starling*, 127 U. S. 376.

In not one of these cases is an interference so much as mentioned.

In the Marshal case the State Court was held to have jurisdiction of an action to compel performance of a covenant for further assurance by assignment of a patent covering an improvement.

In the Excelsior case the rule of Luckett v. Delpark, supra, was applied.

In *St. Paul* v. *Starling* there was no question as to which system of courts had jurisdiction. It was there said (p. 378):

> "Whether, within the meaning of other statutes, and in the light of previous decisions, this case should be considered as 'arising under' the patent laws of the United States, is a question *not* before us."

The dissenting opinion also refers to Craig, etc. v. Static Control, 295 Fed. 72 (opinion by the same Judge who dissented in this instance). That case merely held that the District Court had no jurisdiction to hear a question of priority while an interference processling between the same parties was pending in the Patent Office. It is interesting to note that in that very case there was another cause of action to enjoin the use by the defendant of an invention which was claimed to be an improvement of an earlier invention assigned to the plaintiff with covenant of further

assurance. That cause of action, it was there determined, could be passed upon only by a State Court and not by a Federal Court.

None of these cases has to do with any requirement that rights arising out of a breach of confidential or contractual relationships must be abandoned and the parties confined to interference in the Patent Office.

POINT II.

The question whether the State Court had jurisdiction over the subject of the action has already been adjudicated at the instance of petitioner as a result of his application to the State Court to dismiss for lack of jurisdiction; that determination is binding upon him and he cannot review it except by direct appeal.

At the instance of Becher, there was submitted to the State Court the question which is presented in this suit. The determination made by the State Court was that it had jurisdiction over the subject of the action. Becher has appealed from that determination and the appeal is pending and undetermined. If, indeed, a Federal question is involved, he has the right of review in this Court through the State Courts (U. S. Judicial Code, Section 237).

> *Detroit, etc. Ry. v. City of Monroe*, 262 Fed. 177, 180.
>
> "Plaintiff is not without proper remedy in the premises. It will have an opportunity to present, in the State Court itself, the contention that such Court lacks jurisdiction to entertain the suit pending there or to grant the relief prayed therein, and, if necessary, that contention and defense may, in due course, be submitted, on writ of error, to the United States Supreme Court."

Becher cannot now in the guise of another action have a second appeal to a Court belonging to an entirely different system.

> *Lion Bonding & Surety Co.* v. *Karatz*, 262 U. S. 77.

When served with process in the State Court suit, Becher could choose between two procedures. He might pay no attention to the service and when judgment was entered by default bring an action in the Federal Court, such as the present suit, to enjoin proceedings because the State Court had no power to grant the judgment. His other course, the one which he selected, was to test out the question of jurisdiction in the State Court itself. Once having done so, the determination made is binding upon him everywhere.

Chicago Life Ins. Co. v. *Cherry*, 244 U. S. 25 (affirming 190 Ill. 70), was an action in the State Court of Illinois upon a judgment recovered in a State Court in Tennessee. When originally sued in Tennessee, the defendant raised the question of jurisdiction and there was a determination against him. This Court held that the defendant, when sued in Illinois on the Tennessee judgment, could not again raise the question whether the Tennessee Court had jurisdiction, being bound by the determination of the Tennessee Court.

In an earlier case, *Moch* v. *Virginia, etc. Insurance Co.*, 10 Fed. 696, action was brought in a Louisiana State Court and judgment recovered by default. Defendant appeared for the purpose of opening the default. After a hearing, his application was denied, it being determined by the Court itself that it had jurisdiction. A subsequent action was brought in Virginia upon the Louisiana judgment. A plea was interposed that the Louisiana judgment was void because the Court did not have jurisdiction. The plea was held invalid because the question had already been determined in the Louisiana Court.

To the same effect,

Chinn v. Foster-Milburn, 195 Fed. 158;
Lawrence v. Nelson, 143 U. S. 215;
State v. Adams, 83 S. C. 149;
Fairchild v. Fairchild, 53 N. J. Eq. 678;
Lehman Durr v. Glenn, 87 Ala. 618.

This Court said recently:

> "Every court of general jurisdiction has power to determine whether the conditions essential to its exercise exist."
>
> Texas, etc. Ry. v. Gulf Ry. 270 U. S. 266, 274.

The doctrine of res adjudicata applies to issues of law as well as to issues of fact.

> *Joannes* v. *Lamborn*, 237 N. Y. 207 (Opinion of Cardozo, J.).

It has been adjudicated that the State Court had jurisdiction over the subject of the action. If that adjudication is erroneous, Becher has an appropriate remedy by appeal to the proper tribunal and the opportunity, in that manner, ultimately to reach this Court.

POINT III.

Except in circumstances not here present, the Federal Courts lack power to enjoin proceedings in the State Court.

The only instances in which the Federal Courts have power to issue an injunction in connection with proceedings in the State Court are those which do not violate the Statute, as follows:

"379 (Judicial Code, Sec. 265), Same: Stay in state courts.—The writ of injunction shall not be granted by any court of the United States to stay proceedings in any court of a State, except in cases where such injunction may be authorized by any law relating to proceedings in bankruptcy (R. S., Section 720; Mar. 3, 1911, C. 231, Sec. 265, 36 Stat. 1162)."

There are only three exceptions to the statute.

> *Pierce v. National Bank of Commerce of St. Louis*, 282 Fed. 100, 103.

These exceptions divide themselves into A, cases in which the action in the State Court is still pending; B, cases in which the action in the State Court is no longer pending.

(1) When the action is still pending in the State Court the only exception is an action in rem, in which the Federal Court has obtained possession of the res and the State Court seeks to interfere.

The two exceptions when the action is no longer pending and there is a final judgment of the State Court are:

(2) Where there was a failure of due service of process in the State Court and the validity of the process has not been there questioned and

(3) where judgment of the State Court was procured by fraud.

The case at bar does not come within any of the three exceptions.

1.

THE STATE COURT ACTION IS STILL PENDING.

It may not be said that the State Court action has terminated merely because a judgment has been entered at nisi prius. There is still pending an appeal from that judgment. Until the appeal is disposed of, there is no final determination. If, indeed, the action is still pending, Section 265 of the Judicial Code has direct application. The only circumstance in which it would not apply is where the Federal Court by attachment, receivership or the like, has come into possession of property and the State Court seeks to interfere with such possession. An illustration is *Kline* v. *Burke*, 260 U. S. 226, 229, in which the Court said:

> "Where the action is in rem the effect is to draw to the federal court the possession or control, actual or potential, of the res, and the exercise by the state court of jurisdiction over the same res necessarily impairs, and may defeat, the jurisdiction of the federal court already attached. The converse of the rule is equally true, that where the jurisdiction of the state court has first attached, the federal court is precluded from exercising its jurisdiction over the same res to defeat or impair the state court's jurisdiction * * * (p. 235). The rule, therefore, that the court first acquiring jurisdiction shall proceed without interference from a court of the other jurisdiction is a rule of right and of law based upon necessity, and where the necessity, actual or potential, does not exist, the rule does not apply. *Since that necessity does exist in actions in rem and does not exist in actions in personam, involving a question of personal liability only, the rule applies in the former but does not apply in the latter.*"

But an action involving patent rights is not an action in rem.

Automotive Products Corporation v. *Wolverine* (C. C. A. 6th), 15 Fed. 2d 745.

Moreover an action for breach of trust is manifestly an action in personam.

It is no answer to say that the State Court attempted to pass upon the question over which the Federal Courts had exclusive jurisdiction.

Essanay Film Co. v. *Kane*, 258 U. S. 358, 361.

"That appellant's objection to the action sought to be restrained rests upon a fundamental ground and one based upon a provision of the Constitution of the United States, does not render the effort to stay proceedings in the State Court any the less inconsistent with §265, Judicial Code. That section would be of little force did it not apply to cases where, save for its prohibition, good ground would exist for enjoining the prosecution of a pending suit. And, as to the federal question involved, Congress at all times, commencing with the first Judiciary Act (September 24, 1789, C. 20, Sec. 25, 1 Stat. 73, 85), has maintained upon the Statute books such provisions as it deemed needful for reviewing judicial proceedings in state courts involving a denial of federal rights, *but has confined them to a direct review by this Court, and deferred this until final judgment or decree in the state court of last resort.*"

2.

LACK OF JURISDICTION OVER THE SUBJECT MATTER IS NOT LACK OF DUE SERVICE OF PROCESS.

The only authority cited by the dissenting opinion for the statement that (R. 85)

> "An injunction restraining proceedings on the State Court decree may be granted under the general equity powers of the District Court"

is *Simon* v. *Southern Railway Co.*, 236 U. S. 115.

That was not a case of lack of jurisdiction over the subject of action. There, a Louisiana statute permitted service of process upon a foreign corporation doing business in Louisiana by delivery of a summons to the Secretary of State. No notice was given to the defendant in any form. The cause of action arose in Alabama. Defendant had no opportunity to defend and plaintiff entered judgment. Defendant then brought action in the Federal Court to enjoin proceedings pursuant to the judgment of the State Court. The complaint was sustained solely on the ground that the attempted service of process was invalid and the judgment void.

The present situation is quite different. Jurisdiction over the person of the defendant in the State Court was not questioned nor is it questioned now. The dispute concerned jurisdiction over the subject matter. The distinction is that in the one instance the Court never having had the defendant before it, was powerless to render any judgment binding upon the defendant. Where jurisdiction over the subject matter is in question, however, the defendant is before the Court, and while the judgment which it renders may be improper, there is nevertheless full opportunity on the part of the defendant to correct such impropriety by an appeal. But he cannot ask some other Court to determine whether an error was committed by the State Court.

It is never proper to grant an injunction on the ground that

> "the State Court erred in the application of the law on the trial of the cause."
>
> *Wagner* v. *Lyndon*, 282 Fed. 219, 220.

3.

THERE WAS NO FRAUD CONNECTED WITH THE STATE COURT SUIT.

In his bill of complaint, petitioner uses the words "fraud" and "fraudulent." He must have had in mind cases like

Marshall v. *Holmes*, 141 U. S. 589;
Andrews v. *Andrews*, 188 U. S. 14;
McDaniel v. *Traylor*, 196 U. S. 415.

In all these cases there was some fraud *connected with* the proceedings resulting in the judgment as to which the injunction was granted. Here, we are at a loss to know, what can be said to constitute any fraud on the part of the respondents. Certainly no fraud is pointed out in the petitioner's brief. He does not say that there should be an injunction against proceedings pursuant to the State Court judgment because it was obtained by fraud.

In his bill of complaint he uses the words that relief is asked "because of certain frauds perpetrated by the defendants" (R. 1). But he does not say what constituted the frauds and it is impossible to discover from the bill of complaint or from any other part of the record what it was that constituted these frauds.

He also alleges that the instruments (R. 3)

> "have been used and sold by the defendants acting in conspiracy to defraud and defeat the rights of the plaintiff in the premises."

We are at a loss to know what the conspiracy or fraud consisted of. In any event this allegation has nothing to do with the recovery of the judgment. It affects only the alleged infringement.

He also says in his bill of complaint (R. 5)

> "that the defendants well knew that the allegations of the complaint were untrue and fraudulent."

But it is impossible to discover in the record what there was about the allegations of the complaint that constituted the fraud, except perhaps that they charged Becher with fraud.

He also alleges that the State Court action was brought (R. 5)

> "with a view to fraudulently putting the plaintiff Becher to additional expense and trouble."

and (R. 6):

> "that the said proceedings in the said State Court were fraudulently instituted and fraudulently prosecuted"

but there is no statement from which these conclusions are drawn.

It seems plain that petitioner will not endeavor to justify any right to injunctive relief on the ground of fraud in connection with obtaining the judgment in the State Court.

POINT IV.

Plaintiff did not make such showing as to entitle him to a preliminary injunction, especially since his patent has never been adjudicated and one tribunal has found on the facts that he misappropriated the invention.

1. Aside from the other points involved, the lack of an adjudication of the validity of the patent is sufficient to require a denial of a preliminary injunction.

> *Simson Bros., Inc.* v. *Blancard & Co., Inc.* (C. C. A., Second Circuit, 1927), 22 Fed. 2d 498;

Hildreth v. *Norton* (C. C. A., Second Circuit, 1908), 159 Fed. 428;
Walsh v. *Albert Wahle Co., Inc.* (E. D. N. Y.), 25 Fed. 2d 350.

The Circuit Court of Appeals in the Second Circuit has held that lack of adjudication of the validity of the patent is not overcome even by a decision in an interference favorable to the plaintiff.

Neuhall v. *McCabe Hanger, etc., Co.*, 125 Fed. 919,

where the Court said on another point (p. 920):

> "The patent is a very recent one, and there is no such proof of long continued acquiescence by the public as would raise a prima facie case in the patentee's favor. Under such circumstances it is the practice in this court to refuse a preliminary injunction where there has been no adjudication sustaining the patent, if there appears to be any fair question as to invention, anticipation, construction or infringement."

2. In the present instance there is not only a "fair question as to invention," but it appears that plaintiff *cannot* recover upon a trial on such a showing as is made in the present record. In the affidavit in support of his application plaintiff states generally the existence of his patent and the fact that defendants are manufacturing instruments which infringe it (R. 8). There is no attempt to state either generally or in detail the facts which constitute the transactions between the parties.

In direct contrast, defendants have set forth in minute detail what occurred between the parties to this action. *No reply was made by plaintiff and the facts as asserted by defendants stand substantially uncontroverted.*

It appears that for many years Oppenheimer had been experimenting with massage machines (R. 33). Before he met petitioner, a machinist, he had procured models to be made by another concern (R. 25). The model of this machine, containing three rollers, was exhibited to Becher on December 18th, 1925, at a time when Oppenheimer had already filed application for patent upon that instrument (R. 24). Oppenheimer was desirous of having duplicates made with certain improvements which he intended to devise from time to time (R. 26). He exacted from Becher a promise that if the work were given Becher as a machinist, the latter would keep such information as he obtained confidential and secret (R. 24-26). Oppenheimer was careful enough to obtain a receipt for the model which he first gave to Becher as follows (R. 26):

"Brooklyn, N. Y., Dec. 18, 1925.

H. Oppenheimer,
205 E. 44th St.

Received for estimating purposes.

1 ozmosifier iron—and is to be returned on Mon., Dec. 21/25.

(Signed) EDWARD BECHER."

Being satisfied with Becher's ability to duplicate these machines, Oppenheimer gave him an order in writing, in which he specifically stated in great detail what changes were to be made from the model thus delivered (R. 26). After a few of these machines, ten of them, had been made and while certain others were in process, Oppenheimer discovered that the instrument was not effective and instructed Becher to make a change in the position of a heating rod, by placing it inside an aluminum roller instead of on top of the roller (R. 27, 33). After having made thirty-five instruments, Becher made that change under Oppenheimer's instructions (R. 26). Then Oppen-

heimer conceived a modification of the whole machine, by reducing it to a single roller in place of three rollers (R. 27-8). The result was the identical machine upon which Becher has obtained a patent (R. 28). The single roller instrument was nothing more nor less than a reduction in size from the original model delivered by Oppenheimer to Becher for duplication, with a change in the position of the heating element, as requested by Oppenheimer (R. 28, 33). Specific instructions were given by Oppenheimer as to each little change to be made, Becher merely carrying out mechanically what Oppenheimer described (R. 28).

When all but one element of the instrument had been completely conceived and made, Becher surreptitiously filed application in his own name for a patent upon the instrument (R. 51, 33). He made a tell-tale error in this regard. The instrument conceived by Oppenheimer contained an opening in which there was a screw thread. Although Becher did not know it at the time, this hole was intended to receive a cup containing a preparation to be passed on to the roller during massage (R. 31).

The whole purpose of the instrument was that the preparation be so supplied to the instrument as not to require the use of the hands or fingers in the application to the skin. The cup was the part which made this possible. Becher's application entirely omitted reference to this cup but contained provision for the holes which were to receive it (R. 30-1). In providing for the holes and omitting the cup, Becher disclosed his lack of knowledge of the real purpose of the instrument.

Immediately upon discovering what Becher had done, Oppenheimer discontinued Becher's work (R. 33). It further appears that defendants have made substantial investment in the business of marketing these machines and the preparations that go with them (R. 34), while Becher has not begun to launch his alleged business of making these machines (R. 34). A preliminary injunction, therefore, would cause defendants irreparable injury.

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3. It might ordinarily be sufficient to pause here and say that without controverting these facts, petitioner cannot hope to establish any right to an injunction.

But the record goes further. For our present purpose it makes no difference whether the judgment recovered in the state court is valid, voidable or void. The fact remains that the Supreme Court of the State of New York, after hearing both Becher and Oppenheimer and their witnesses, has reached a conclusion as to the facts, that the story told by Oppenheimer is true (Decision, R. 60):

That Becher did, indeed, agree to keep secret the information imparted to him by Oppenheimer concerning the massage instrument (R. 61, 62), that what he knew of such instrument he learned from Oppenheimer (R. 62-3); that it was Oppenheimer's invention upon which Becher made application for patent (R. 64-5), that such an application was a fraud upon Oppenheimer (R. 66).

Upon this record there is an absence of such a showing by Becher as would warrant the granting of a preliminary injunction.

POINT V.

The decree should be affirmed.

Respectfully submitted,

CHARLES S. ROSENSCHEIN,
and
ROBERT MOERS,
Counsel for Respondents.

SUPREME COURT OF THE UNITED STATES.

No. 559.—October Term, 1928.

Edward Becher, Petitioner, *vs.* Contoure Laboratories, Inc., and Herbert Oppenheimer.	On Writ of Certiorari to the United States Circuit Court of Appeals for the Second Circuit.

[May 13, 1929.]

Mr. Justice Holmes delivered the opinion of the Court.

In September, 1927, the respondents brought an action in the Supreme Court of the State of New York in which they obtained a judgment that the defendant, the petitioner, was trustee *ex maleficio* for Oppenheimer of an invention and letters patent issued to the defendant; that the defendant deliver to the plaintiffs an assignment of the letters patent and give up instruments similar to the invention; that he be enjoined from using, manufacturing, selling, &c., such instruments, and from transferring any rights under the patent, and that he pay costs. The judgment was based on the facts alleged and found that Oppenheimer having made the invention in question employed Becher as a machinist to construct the invented machine and improvements made by Oppenheimer from time to time, and that Becher agreed to keep secret and confidential the information thus obtained and not to use it for the benefit of himself or of any other than Oppenheimer. It was found further, that while engaged in making instruments for Oppenheimer and after having learned from him all the facts, Becher without the knowledge of the plaintiffs and in violation of his agreement and of the confidential relation existing, applied for and obtained a patent of which Oppenheimer knew nothing until after it had been issued, and while Becher was still making for him the Oppenheimer machine.

The judgment was entered on July 5, 1928, and at about the same time the present suit was brought in the District Court for the Southern District of New York, in which the parties are reversed. Becher sets up his patent, alleges infringement of it and

prays an injunction. He also states the earlier proceedings in the State Court, and, although not in very distinct terms, seems to deny the jurisdiction of that Court inasmuch as the allegations of Oppenheimer if sustained, as they were, would show the Becher patent to be invalid; a question, it is said, for the Patent Office and the Courts of the United States alone. An injunction was asked restraining the defendants from further prosecuting their suit in the State Court. A preliminary injunction was denied by the District Court and on appeal the decree was affirmed, and the appellant's counsel consenting if the Court decided that the State Court had jurisdiction, the bill was dismissed. 29 F. (2d) 31.

It is not denied that the jurisdiction of the Courts of the United States is exclusive in the case of suits arising under the patent laws, but it was held below that the suit in the State Court did not arise under those laws. It is plain that that suit had for its cause of action the breach of a contract or wrongful disregard of confidential relations, both matters independent of the patent law, and that the subject matter of Oppenheimer's claim was an undisclosed invention which did not need a patent to protect it from disclosure by breach of trust. *Irving Iron Works* v. *Kerlow Steel Flooring Co.*, 96 N. J. Eq. 702. *Du Pont de Nemours Powder Co.* v. *Masland*, 244 U. S. 100. Oppenheimer's right was independent of and prior to any arising out of the patent law, and it seems a strange suggestion that the assertion of that right can be removed from the cognizance of the tribunals established to protect it by its opponent going into the patent office for a later title. It is said that to establish Oppenheimer's claim is to invalidate Becher's patent. But, even if mistakenly, the attempt was not to invalidate that patent but to get an assignment of it, and an assignment was decreed. Suits against one who has received a patent of land to make him a trustee for the plaintiff on the ground of some paramount equity are well known. Again, even if the logical conclusion from the establishing of Oppenheimer's claim is that Becher's patent is void, that is not the effect of the judgment. Establishing a fact and giving a specific effect to it by judgment are quite distinct. A judgment *in rem* binds all the world, but the facts on which it necessarily proceeds are not established against all the world, *Monson* v. *Williams*, 213 U. S. 453, 455, and conversely establishing the facts is not equivalent to a judgment *in rem*.

That decrees validating or invalidating patents belong to the Courts of the United States does not give sacrosanctity to facts that may be conclusive upon the question in issue. A fact is not prevented from being proved in any case in which it is material, by the suggestion that if it is true an important patent is void—and although there is language here and there that seems to suggest it we can see no ground for giving less effect to proof of such a fact than to any other. A party may go into a suit estopped as to a vital fact by a covenant. We see no sufficient reason for denying that he may be equally estopped by a judgment. See *Pratt* v. *Paris Gaslight & Coke Co.*, 168 U. S. 255. *Smith & Egge Manufacturing Co.* v. *Webster*, 87 Conn. 74, 85.

Decree affirmed.

A true copy.

Test:

Clerk, Supreme Court, U. S.